

OFFICE/POST

TITLE Argentine Australia Relations
Annual Review of Australian Relations

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<div style="border: 2px solid black; padding: 10px; transform: rotate(-15deg); display: inline-block;"> DATE COMMENCED 28.3.78 DATE FINISHED 31.7.84. </div> <div style="border: 2px solid black; padding: 10px; transform: rotate(-15deg); display: inline-block; font-size: 48px; font-weight: bold; margin-top: 20px;"> CLOSED </div>											
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SECRET

Department of Foreign Affairs

RE8.

File Number 226/9/10
Part Number 2

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This part opened on 28 / 3 / 78

This part closed on 31 / 7 / 84

Subsequent correspondence on Part / File Number 3

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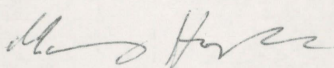
FILE No. 626/11/ 12 - 23/2/84
DATE 31 July 1984

SUBJECT

REPLY TO ANNUAL REVIEW - BUENOS AIRES

FOR MR. HUGHES
AS AM

The Medical Services Unit of
the Department has no comments to add to
this Review.


(Dr Mary Hoyle)
Medical Adviser

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FOREIGN AFFAIRS
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FILE No. 626/11/12

DATE 23-2-84

SUBJECT

REPLY TO ANNUAL REVIEW : *Buenos Aires*

FORM *MR. HUGHES*

ASSISTANT SECRETARY
(*AMERICA'S BR*)

C.C.:

Mr McCarthy (PA)

Mr Loveday (ICR)

Mr Percival (ISPP)

Mr Heron (QWI)

Mr Townsend (NP)

Mr Walker (DAC)

Mr Mott (IO)

Mr Ferguson (ER)

Mr Lavett (CEE)

Mr Goss (EO)

Mr McCarthy (CP)

Mr Gleeson (RPLW)

Mr Harber (SECOM)

Dr Hoyle (Medical Advisor)

ADAB

Attached is a copy of the *Buenos Aires* Annual Review for the period *April 1983 - February / March 1984*.

2. I would be grateful if the Assistant Secretary, *America's* Branch would prepare a draft reply for the Secretary's signature by *23 March 1984*.

3. Information addressees should distribute copies of the Review to other Departments if considered appropriate. In any case they should forward comments on policy issues related to the Review directly to the Branch Head preparing the reply in time to meet the above deadline. Contributions should not be sent to Executive Secretariat.

4. RPLU should coordinate comments from MFSD and also forward these directly to the action Branch Head.

5. Detailed guidelines on the preparation of replies to Annual Reviews are set out in the Secretary's Administrative Circular No. 91/81 of 20 October 1981.

for *Mulcahy*
(D.J. Maurice)
Executive Secretariat

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21 May 1984

Thank you for your comprehensive and well-focussed Annual Review for 1983.

The briefing provided for your talks with the Secretary of State for Foreign Affairs on 1 February touched on many aspects of the bilateral relationship and need not be repeated in detail here. As noted in the briefing, the installation of a democratically elected government in Argentina and the associated change in that country's human rights situation have opened the way for a more substantial bilateral relationship. We expect that this will be achieved through annual consultations with Argentine officials, the expansion of ongoing dialogue on matters of mutual interest including nuclear policy and human rights, some initiatives in the cultural and information spheres and perhaps a modest growth in the number of official visitors. As you are aware, Mr Hayden has agreed to recommend to the Prime Minister that Argentine Foreign Minister Dante Caputo be invited to visit Australia as a guest of the Government at a mutually convenient time during the next twelve months.

In general, we were pleased with the Post's reporting during the period under review. Your Dispatches on prospects for Argentina's first general elections in ten years provided useful background on both the electoral process and the main political parties. Following the Radical Party's unexpected landslide victory on 30 October 1983, your reporting on the Party's evolving policies and domestic political developments have kept us well informed. We look forward to your assessments of the Alfonsin Government's performance as its immediate post-election popularity is tested. We will be interested in periodic reporting of issues such as the controversial union reform legislation and the trials of former junta members who have been charged with human rights violations.

We have appreciated your reporting also on Argentina's role in regional affairs and on the Falklands issue. The fresh impetus given to the resolution of the Beagle Channel dispute has attracted some interest and we would like to keep abreast of developments. We know you will continue to report developments in Argentine/UK relations, and on the Falklands.

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We noted from your recent talks with the Secretary of State for Foreign Affairs that the Argentines appear satisfied with our abstention on the UN Resolution concerning the Falklands. The wishes of the Islanders will continue to be an important element in our consideration of the Falklands. We will seek to avoid taking a position on the question of sovereignty.

We are pleased that as a result of your discussions with Secretary of State Kelly, the Argentine Government appears interested in considering seriously its position on the issue of non-proliferation policy. We can understand Argentina's concern about security of supply of nuclear equipment and technology. A degree of linkage with the Falklands issue seems likely to be a complication for some time. We were disturbed, however, by your report that Argentina may be linking its position on non-proliferation with the issue of the renegotiation of its foreign debt. Any move by Argentina to connect these issues would seem to cast doubt on its seriousness about the importance of non-proliferation.

Over the next 16 months, we will be actively involved in preparations for the Third NPT Review Conference. If Argentina shows interest in publicly strengthening its international non-proliferation commitments, we may wish to encourage it to attend the Review Conference as an observer (it is likely that, as with past Review Conferences, non-parties to the Treaty will be permitted to attend as observers. Argentina was an observer at the Second Review Conference in 1980). We would not wish to make any move on this until closer to the time of the Review Conference and until we know more of Argentina's views. Argentina can be expected to have an influence, through the Neutral and Non-Aligned group and the Non-Aligned Movement, on attitudes among developing country Treaty members at the Conference.

We will keep you informed on relevant domestic and international developments in the field of nuclear policy. We have been pleased with your reporting; as you know we are interested in regular reporting on nuclear developments in Argentina, both on domestic developments and on Argentine attitudes towards international nuclear issues (e.g. IAEA, NPT, Treaty of Tlatelolco, regional nuclear relations and supplier policies). We hope that, in further consultations with the Argentine Government, you will be able to explore nuclear policy issues in some detail. One positive step Argentina could take would be ratification of the Treaty of Tlatelolco. We should continue to raise this with Argentina against the background of our own commitment to achieving a nuclear-free zone in the South Pacific.

In the same context we should make the most of the limited scope for Argentina and Australia to co-operate in the Conference on Disarmament in Geneva. This could help to off-set our differences on nuclear issues where Argentina does tend to be extreme and at times difficult. There is potential

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for such co-operation in areas other than nuclear issues. For example, Australia and Argentina share concerns about chemical warfare and the use of chemical weapons, topics which are likely to assume increased importance this year. We have been encouraged by the attitudes of the USA and the USSR towards a new and verifiable chemical warfare regime and we will be working positively towards a new treaty to replace the 1925 Geneva Protocol on the use of chemical weapons.

The consultative machinery which has been established recently should assist the development of our bilateral commercial relations with Argentina. As you point out, the immediate prospects for an expansion of bilateral trade will be limited by Argentina's economic problems but the restoration of our exports to pre-Falklands war levels may be a realistic medium term goal.

The Alfonsín Government faces a very difficult task in resuscitating the economy. It will need to tread a very fine line between the IMF's policy prescription of deflation, devaluation and price reform and political difficulties arising from the heightened expectations of a populace suffering high unemployment and declining income. The effectiveness of the IMF in such difficult cases is a matter of great interest to the international community and has serious implications for the future support for the Fund from developing countries. External factors (e.g. sustained international recovery; the value of the US dollar; the level of interest rates) will be an important determinant of domestic economic performance. On balance, the international economic outlook for the remainder of 1984 provides Argentina with some prospect of stabilising its economy but a return to sustained economic growth appears to be some years away.

The recent agreement on the refinancing of some of Argentina's foreign loans, a novel feature of which was the involvement of other Latin American countries, is a welcome but temporary solution to its immediate financial difficulties. In the absence of a major rescheduling it may be expected that negotiation of temporary measures will occur at frequent intervals. We are also interested in the longer term perspectives on the possibilities of Latin American countries attaining economic growth under the handicap of their large debt burdens.

We would wish you to maintain the priority you currently accord economic reporting, and are pleased with the high standard of reporting you have provided. We would like the post to prepare Quarterly Economic Reports, however. These are of use to us as they provide a continuing overview of the economy and its relationship to the political process. The QERs are widely distributed. We do not look for a detailed lengthy report; three or four pages concentrating on the major indicators or events is usually sufficient. It is useful for Departments in Canberra to receive these consolidated reports,

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including comments over time, as a supplement to ad hoc reporting which, while important, does not always provide the broader perspective. We do not, of course, require the same extent of reporting on Uruguay and Paraguay, but would appreciate occasional broad overview reports.

Argentina continues to play an active role in discussion of international economic issues, a position heightened by Argentina's hosting of the G77 Foreign Ministers' pre-UNCTAD VI meeting in Buenos Aires and the subsequent continuing discussion of the Buenos Aires Platform and the Declaration adopted at that meeting. Your insights into Argentine thinking and experience on these issues continue to be valued. It might be noted that the success or otherwise of Argentina's attempts to cope with its current debt problems provides something of a test case for the view that the existing international trade and finance system can adapt to cope adequately (a view shared by most developed and some developing countries) and the contrary G77 view that evolution must be assisted.

We have appreciated your reporting on human rights issues and developments in Argentina, Paraguay and Uruguay throughout the year. We naturally welcomed the transformation in Argentine human rights policy brought about by the Alfonsín Government. As you are aware, we would like to respond positively to Argentine approaches to develop dialogue on human rights issues. We agree that scope exists for the exchange of information on domestic human rights machinery and also on international human rights instruments, and for greater co-operation with Argentina in multilateral forums.

You will also be aware of our interest in regional human rights organisations. Argentina's move to become a member of the Inter-American Commission is of relevance in this connection.

We would appreciate your continuing efforts in reporting on individuals whose cases may be of relevance to the newly established Register of Representations on alleged human rights violations.

We expect that the political situation in Uruguay will remain of continuing concern to the Uruguayan community in Australia and to human rights organisations here and abroad. We will follow with interest political developments in Uruguay throughout 1984. Our interests include reporting on prospects for consensus between the Government and the political parties prior to elections, and on key issues and personalities if and when the campaign gets under way.

Although Paraguay remains of minor concern bilaterally to Australia, we anticipate increased international interest in the human rights situation in the light of Amnesty International's recent report and campaign. We would be

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interested to receive an occasional political round up. We anticipate that we will need also to refer to you a small number of enquiries about human rights cases.

In relation to post management issues, the transfer of the Third Secretary position in Brasilia to Buenos Aires should provide scope for reporting to be expanded on the matters of interest identified above. As you know, the occupant of the position may be required to provide relief in other South American posts.

I am pleased that it is now confirmed that the Post Liaison Visit will take place shortly. You will have received separate advice on the arrangements.

In conclusion, may I thank you and your staff for your efforts over the past year.

(P.G.F. Henderson)

H.E. Mr M.J. Dan,
Australian Ambassador to Argentina
BUENOS AIRES

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ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
APRIL 1983 - FEBRUARY/MARCH 1984

Most of the year was dominated by the lead up to the first elections in ten years, culminating in an upset win for the Radical party led by Raul Alfonsin. The new Government's overriding foreign policy objective is to make Argentina a respected member of the international community. It has acted decisively in the area of human rights, especially on the problem of the disappeared persons. Argentina is seeking to play an active and constructive role in international bodies.

2. Australia welcomed the return to democracy in Argentina and, in turn, the Argentine Government is seeking to develop a more beneficial relationship with us. On 1 February an initial round of bilateral talks was held at the level of Ambassador/Secretary of State for Foreign Affairs and will be followed by a full-scale review of bilateral relations in the near future. For our part we have proposed annual bilateral reviews in addition to the six-monthly reviews already being held in the trade area. At the 1 February meeting we made important representations to the Argentine Government on nuclear and disarmament issues.

3. Clearly, the return to democracy in Argentina presents opportunities for Australia. We have a number of important interests in common with Argentina, and we should extract as much benefit as we can from our relationship. These interests embrace Antarctica, nuclear issues, international agricultural commodities, trade (although small by global standards, Argentina remains Australia's largest market in South America), human rights, immigration (Buenos Aires is the central office for our migration programme in South America), and cooperation in international bodies.

4. As an irritant in our bilateral relationship with Argentina, the Falklands issue is now well behind us. The Argentines would, of course, like to see us vote in favour of the U.N. resolution rather than abstain, but they understand our position. Since the time hostilities ended in June 1982 we have put it to the Argentine side that a resumption of contact and an improvement in the atmosphere could in due course lead to a just agreement on the future of the islands. Some contact is already in prospect but it seems likely that a resumption of full diplomatic relations will not be achieved in the immediate future because of Argentine insistence on the resumption of negotiations on the Falklands. The Mission will of course give this subject a high priority in the period ahead, and continue to look for opportunities to play a helpful role.

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

5. Argentina's nuclear programme remains a source of major concern because in November 1983 Argentina announced that it had successfully enriched uranium through indigenous efforts, thereby completing the nuclear fuel cycle. While the Government has stated that Argentina's nuclear programme will be for peaceful purposes only, Alfonsin has set up a Commission to make recommendations to him on the nature of the future nuclear

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programme. On 1 February an important demarche was made to the MFA in which we expressed Australia's strong hope that Argentina would place all of its nuclear facilities under fullscope international safeguards and that it would ratify the Treaty of Tlatelolco. This was an important initiative by Australia. Nuclear issues are now a major focus of attention by the Mission and will be given the highest priority during the coming year.

6. In the area of human rights, which absorbed a great deal of our attention, prior to the inauguration of the new Government we advised the then military regime that we could not accept the Junta's report on the disappeared persons nor the controversial amnesty law (both of which were subsequently rejected by the Alfonsin government). Moreover, we made our views on human rights violations well known to the military government. Since assuming office, the Alfonsin Government has acted swiftly to correct human rights abuses, has launched a number of investigations and initiated trials and has introduced measures which will protect human rights. Australia has welcomed this vigorous approach. In the year ahead we would propose to exchange information with the Alfonsin Government on domestic measures for the protection of human rights and we see great opportunities for working with Argentina on human rights in international bodies, especially in the CHR which we hope to rejoin in 1985. This subject will continue to be given a top priority in our work programme.

7. Antarctica continued to be one of the most important areas in our bilateral relationship. Argentina and Australia worked closely together in the group of claimant states at all meetings related to Antarctica including at the XIIth Consultative Meeting in Canberra in September 1983. There was important collaboration on the problem posed by Malaysia's initiative on Antarctica at the United Nations. We have encouraged Argentina to convey to the Secretary-General its views on the form of the study flowing from this initiative. We would envisage a continuation of our active association with the MFA on Antarctic issues.

8. Cooperation in international bodies with Argentina is likely to increase in the period ahead. The fact that we sit next to the Argentine delegation at many meetings should facilitate this collaboration. There is scope for exchanges with the Argentine delegation to the General Assembly, at CHR, on the Disarmament Commission and in specialized agencies.

9. In the information area, the major event was a visit of a TV research team of the ABC which will return next August to produce a segment on Argentina entitled "Portrait of a Country" for its series on Latin America. We have informed the MFA that funds should be available in the overseas media visitors scheme for one Argentine journalist to visit Australia in either 1983/84 or 1984/85.

10. Cultural relations were limited in the past year. We participated in the Jazz Festival with books and records and a lecture was given on Australian jazz. The Argentine/Australian Cultural Institute arranged a number of activities. The Pumas made a highly successful rugby tour of Australia.

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have invited Argentina to participate in the 1988 Bicentennial and have suggested its participation in the tall ships event. We plan to hold the exhibition "A Day in the Life of Australia" during the coming year.

11. The Immigration Section, headed by the Regional Director for South America, has responsibility for Australian immigration activities in all of South America. The number of migrants from Argentina declined unexpectedly in 1983 to 319 persons compared to 655 in 1982 and 419 in 1981. The main causes for the decline are two-fold: first, the large fall in the number of occupations in demand in Australia and secondly a breakdown in the character-checking arrangements, which has caused delays for several months in many cases. Interim measures have now been introduced and it is expected as a result of this that the number of migrants from Argentina will increase in 1984. The number of migrants from Uruguay fell slightly from 105 persons in 1982 to 93 in 1983.

12. Forty seven persons were approved in South America in 1983 under the Latin American Refugee and Special Humanitarian Programme compared with 49 in 1982. Of the 47, 31 were Uruguayans and 7 Argentines. However as a result of recent amendments to the criteria of the Special Humanitarian Programme it can be expected that the number of persons approved will increase in 1984. This increase also results from an increasing awareness by UNHCR, charities working with them, other embassies and human rights groups that Australia is accepting these types of cases.

13. The number of tourists visiting Australia from Argentina and Uruguay remained steady at approximately 500 and 300 respectively. The majority of these tourists travel to Australia to visit relatives.

14. The Mission devoted a good deal of its efforts to reporting on economic issues, especially the problem of the crippling foreign debt, the huge inflation rate and the economic situation generally. We shall continue to watch economic developments closely and report as required.

15. A major task of the post has been to maintain a close association with the Argentine authorities on agricultural commodity matters. It will be recalled that last year we initiated a proposal for regular six monthly meetings between the Embassy and the Secretariat of Foreign Trade to discuss mutual bilateral and multilateral trade issues. The first of these discussions was held in May 1983. The meeting was well received by the Argentine authorities and there were useful exchanges on issues of mutual interest. The schedule for a further meeting was disrupted by the recent change of government but we propose to take up the issue of the resumption of talks with the Ministry in the next few weeks.

16. A consequence of the Falklands war and the economic crisis in Argentina was a drastic reduction in Australian trade with Argentina. In 1982/83 exports totalled \$38.3m compared with \$70.5m in 1981/82, \$55.3m in 1980/81 and \$91.3m in 1979/80. However, some recovery is expected in 1983/84 through the resumption of exports under the existing long-term contract between Aluar of Argentina and Alcoa of Australia Ltd. In an

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Effort to overcome Argentina's external payments crisis the new government has now limited imports to essentials unobtainable from local sources. The present import regime will remain in force until 30 June 1984 but there seems little likelihood of it being relaxed in the near future. Consequently there is little scope for the opening of new markets for most consumer items. Blockage of payments due to some exporters has also contributed to a general falling-off in interest by Australian firms. Inability to match the credit lines offered by competitors has also contributed to a fall in sales. The inauguration of a new democratic government has meant that almost all key positions in the commercial ministries are now occupied by new officials. A major task in the coming year will therefore be to establish good relationships with a new group of decision-makers and to continue on what is a major task of this post, maintaining a dialogue with Argentine officials in areas of mutual interest. A further task will be to identify new commercial opportunities in areas unaffected by the present restrictions. The new administration has already identified in principle certain key areas for economic development. There is some recognition in Argentina of Australia as a southern hemisphere nation facing similar economic and environmental problems and therefore there may be scope for introducing Australian specialist expertise into this market. Some Australian firms are already promoting the use of their expertise in Argentina.

17. The year was an especially busy one in the area of administration. We have a total staff of 40 including 14 A-based officers. There are three attached sections. We completed a major physical security project in the office which involved extensive structural alterations on all three floors. The library and public reading areas have now been re-modelled. Management of the accounts requires special attention because of the high inflation and constantly changing exchange rates. Important improvements have been made in our communications area where the work load is especially high. Consular activities were relatively slight but we had some difficult cases. Staffing in the political area remains inadequate and is a cause for concern. A one-man political section (plus the Ambassador) is clearly stretching resources to the absolute limit.

INVITATIONS

18. We have already proposed that consideration be given to extending an invitation to either President Alfonsín or Foreign Minister Caputo to visit Australia. In the light of their own commitments this year it is highly unlikely that either could travel before 1985. You have already indicated that an invitation to the Foreign Minister may be forthcoming.

19. Under SOVF it has already been proposed that an invitation be extended to Nobel Peace Prize Winner Pérez Esquivel. In view of the fact that he has fallen out of favour with the Alfonsín Government we suggest we sit on the invitation until things settle down. We would, however, like to see it go ahead in due course.

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20. Much greater attention was paid to Uruguay during the year because of continuing human rights abuses and the deteriorating political situation. The three authorised political parties withdrew from the dialogue with the military government on the question of the return to democratic government but, as things stand, elections are still set down for November. In August 1983 and again on 6 February 1984 we expressed to the MFA at a high level Australia's serious concern about political developments generally, including the banning of the trade union movement and the poor human rights situation. We also intervened earlier with the MFA on behalf of the Uruguayan Peace and Justice Service whose leader is Perez Esquivel. The Mission has made a steady stream of enquiries to the Uruguayan authorities about individual human rights cases. Positive areas of activity have related to Uruguay's attendance at the XIIth Antarctic Consultative meeting in Canberra and some exchanges with the MFA on Antarctic issues, our invitation to Uruguay to participate in the Tall Ships event at the 1988 Bicentennial, exchanges on international agricultural commodity issues and, from our point of view, migration activity. In the year ahead the Mission will have to devote even more attention to Uruguay in the light of the political situation and the increasing number of human rights abuses.

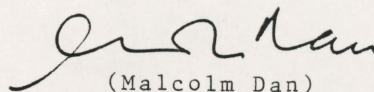
PARAGUAY

21. We had even more restricted contact with Paraguay than usual because of our stretched resources in the political section. We took up with the Paraguayan MFA at the highest level individual human rights cases. A small donation was made to the Paraguayan Red Cross for flood victims. President Stroessner was elected for another term. We will try to monitor the political situation. We anticipate that our main interest in the period ahead will continue to be the human rights situation generally, and individual cases.

THE YEAR AHEAD

22. The year ahead should be a profitable one for our bilateral relationship with Argentina. We will be devoting more of our time to nuclear questions, exchanging information on foreign policy issues and we shall be searching for new areas of co-operation. The only area which may present potential difficulties for us is the Falklands issue, especially if there is no real movement towards a restoration of diplomatic relations between Argentina and Britain and if the Western European countries move to a vote in favour of the U.N. resolution (with Australia adhering to an abstention). During the past year six dispatches were prepared. I regard these as an integral part of the Mission's reporting, and propose to write a number in the forthcoming year.

23. All section heads have been consulted in the preparation of this review.



(Malcolm Dan)

Ambassador

7 February 1984

National Archives of Australia

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NAA: A1838, 226/9/10 PART 2

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ANNUAL REVIEW 1982/83

The Falklands crisis had a pervasive effect on developments during 1982/83. The Post's efforts in monitoring developments throughout the crisis and, subsequently, in analysing its very significant effect on the domestic political situation in Argentina were appreciated.

- We expect that the Post's pattern of reporting on political developments in Uruguay and Paraguay will continue to meet our needs.
- Human rights will be an important element of the Post's work. The more flexible position taken by the Argentine authorities with regard to human rights questions however, appears to have taken some of the "heat" out of the issue within Australia. Clearly, disruptions in the return to democracy will lead to intensified concern from within Australia about human rights in Argentina. The Post's continuing reporting on the human rights aspects of the return to democracy will therefore be appreciated.
- With regard to Uruguay, we have discerned something of a deterioration in the human rights situation in that country, accompanied by an increase in domestic pressure within Australia, particularly for action on individual cases. This can be attributed partly to the active emigre community within Australia and to the effectiveness of the international human rights campaign in relation to Uruguay (Amnesty International for example).
- While our bilateral leverage with regard to human rights in Paraguay is of course extremely limited, we believe that the Post could continue to make our concerns and those of the international community known to the Paraguayan authorities as appropriate opportunities arise.
- We have been reviewing our broad human rights policy with a view inter alia to improving the effectiveness of our representations. One aspect which we are examining is the need to balance negative and critical comment with appropriate support to positive developments in the human rights situations in the countries of responsibility.
- In view of Australia's expanding interest in refugees in the region we would welcome comments on:
 - the return to Argentina of political exiles in the lead up to and wake of the election;
 - movements of other displaced South Americans and refugees into Argentina (e.g. Chileans)

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the work of the UNHCR Regional Office in Buenos Aires and its evolving relationship with the Argentine authorities; and

We would also appreciate being kept informed of any moves towards or pressures for a political amnesty in Uruguay.

We welcome the attention the Post has given to nuclear matters and look forward to its continued reporting on nuclear issues.

While we agree that Australia and others need to encourage Argentina to pursue a peaceful nuclear path domestically, and to adopt responsible nuclear supply policies, there is not at this time a sufficiently co-ordinated approach amongst supplier countries to provide optimism that such "encouragement" would be productive. We would welcome the Post's considered views of the issues involved, including the impact of Soviet and Cuban attitudes as well that of the Falklands Islands war on Argentina's inordinately protracted moves to bring the Treaty of Tlatelolco and the required full-scope IAEA Safeguards Agreement into force.

- We have noted your advice that future official visits to Argentina should include Uruguay. Indeed, during consultations between the Trade Commissioner, Buenos Aires and the President of the Uruguay Meat Board in August 1982, it was agreed that Uruguay and Australia should consult more closely in international fora on matters of mutual interest, such as International Meat Council and GATT Ministerial Meetings.
- The Department of Immigration and Ethnic Affairs has not offered any specific comment on paragraphs 10 and 11 of your Annual Review. For our part, we are not aware of any repetition of earlier instances which caused you concern. Your estimation of the size of the Argentine and Uruguayan communities accords with our own statistics.

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TO.
RR BUENOS AIRES/2718
FM. CANBERRA /

C O N F I D E N T I A L

PLY : ANNUAL REVIEW REPLY

FROM FILE 626/11/39

FOLLOWING IS TEXT OF REPLY TO ANNUAL REVIEW FOR 1983. ORIGINAL
IS BEING SENT BY SAFE-HAND BAG.

626/11/12 21.5.84

THANK YOU FOR YOUR COMPREHENSIVE AND WELL-FOCUSSED ANNUAL REVIEW
FOR 1983.

THE BRIEFING PROVIDED FOR YOU TALKS WITH THE SECRETARY OF STATE
FOR FOREIGN AFFAIRS ON 1 FEBRUARY TOUCHED ON MANY ASPECTS OF THE
BILATERAL RELATIONSHIP AND NEED NOT BE REPEATED IN DETAIL HERE. AS
NOTED IN THE BRIEFING, THE INSTALLATION OF A DEMOCRATICALLY ELECTED
GOVERNMENT IN ARGENTINA AND THE ASSOCIATED CHANGE IN THAT COUNTRY'S
HUMAN RIGHTS SITUATION HAVE OPENED THE WAY FOR A MORE SUBSTANTIAL
BILATERAL RELATIONSHIP. WE EXPECT THAT THIS WILL BE ACHIEVED THROUGH
ANNUAL CONSULTATIONS WITH ARGENTINE OFFICIALS, THE EXPANSION OF
ONGOING DIALOGUE ON MATTERS OF MUTUAL INTEREST INCLUDING NUCLEAR
POLICY AND HUMAN RIGHTS, SOME INITIATIVES IN THE CULTURAL AND
INFORMATION SPHERES AND PERHAPS A MODEST GROWTH IN THE NUMBER OF
OFFICIAL VISITORS. AS YOU ARE AWARE, MR HAYDEN HAS AGREED TO
RECOMMEND TO THE PRIME MINISTER THAT ARGENTINE FOREIGN MINISTER DANTE
CAPUTO BE INVITED TO VISIT AUSTRALIA AS A GUEST OF THE GOVERNMENT AT
A MUTUALLY CONVENIENT TIME DURING THE NEXT TWELVE MONTHS.

IN GENERAL, WE WERE PLEASED WITH THE POST'S REPORTING DURING THE
PERIOD UNDER REVIEW. YOUR DISPATCHES ON PROSPECTS FOR ARGENTINA'S
FIRST GENERAL ELECTIONS IN TEN YEARS PROVIDED USEFUL BACKGROUND ON
BOTH THE ELECTORAL PROCESS AND THE MAIN POLITICAL PARTIES. FOLLOWING
THE RADICAL PARTY'S UNEXPECTED LANDSLIDE VICTORY ON 30 OCTOBER 1983,
YOUR REPORTING ON THE PARTY'S EVOLVING POLICIES AND DOMESTIC
POLITICAL DEVELOPMENTS HAVE KEPT US WELL INFORMED. WE LOOK FORWARD
TO YOUR ASSESSMENTS OF THE ALFONSIN GOVERNMENT'S PERFORMANCE AS ITS
IMMEDIATE POST-ELECTION POPULARITY IS TESTED. WE WILL BE INTERESTED
IN PERIODIC REPORTING OF ISSUES SUCH AS THE CONTROVERSIAL UNION

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OUT

REFORM LEGISLATION AND THE TRIALS OF FORMER JUNTA MEMBERS WHO HAVE BEEN CHARGED WITH HUMAN RIGHTS VIOLATIONS.

WE HAVE APPRECIATED YOUR REPORTING ALSO ON ARGENTINA'S ROLE IN REGIONAL AFFAIRS AND ON THE FALKLANDS ISSUE. THE FRESH IMPETUS GIVEN TO THE RESOLUTION OF THE BEAGLE CHANNEL DISPUTE HAS ATTRACTED SOME INTEREST AND WE WOULD LIKE TO KEEP ABREAST OF DEVELOPMENTS. WE KNOW YOU WILL CONTINUE TO REPORT DEVELOPMENTS IN ARGENTINE/UK RELATIONS, AND ON THE FALKLANDS. WE NOTED FROM YOUR RECENT TALKS WITH THE SECRETARY OF STATE FOR FOREIGN AFFAIRS THAT THE ARGENTINES APPEAR SATISFIED WITH OUR ABSTENTION ON THE UN RESOLUTION CONCERNING THE FALKLANDS. THE WISHES OF THE ISLANDERS WILL CONTINUE TO BE AN IMPORTANT ELEMENT IN OUR CONSIDERATION OF THE FALKLANDS. WE WILL SEEK TO AVOID TAKING A POSITION ON THE QUESTION OF SOVEREIGNTY.

WE ARE PLEASED THAT AS A RESULT OF YOUR DISCUSSIONS WITH SECRETARY OF STATE KELLY, THE ARGENTINE GOVERNMENT APPEARS INTERESTED IN CONSIDERING SERIOUSLY ITS POSITION ON THE ISSUE OF NON-PROLIFERATION POLICY. WE CAN UNDERSTAND ARGENTINA'S CONCERN ABOUT SECURITY OF SUPPLY OF NUCLEAR EQUIPMENT AND TECHNOLOGY. A DEGREE OF LINKAGE WITH THE FALKLANDS ISSUE SEEMS LIEKLY TO BE A COMPLICATION FOR SOME TIME. WE WERE DISTURBED, HOWEVER, BY YOUR REPORT THAT ARGENTINA MAY BE LINKING ITS POSITION ON NON-PROLIFERATION WITH THE ISSUE OF THE RENEGOTIATION OF ITS FOREIGN DEBT. ANY MOVE BY ARGENTINA TO CONNECT THESE ISSUES WOULD SEEM TO CAST DOUBT ON ITS SERIOUSNESS ABOUT THE IMPORTANCE OF NON-PROLIFERATION.

OVER THE NEXT 16 MONTHS, WE WILL BE ACTIVELY INVOLVED IN PREPARATIONS FOR THE THIRD NPT REVIEW CONFERENCE. IF ARGENTINA SHOWS INTEREST IN PUBLICLY STRENGTHENING ITS INTERNATIONAL NON-PROLIFERATION COMMITMENTS, WE MAY WISH TO ENCOURAGE IT TO ATTEND THE REVIEW CONFERENCE AS AN OBSERVER (IT IS LIKELY THAT, AS WITH PAST REVIEW CONFERENCES, NON-PARTIES TO THE TREATY WILL BE PERMITTED TO ATTEND AS OBSERVERS. ARGENTINA WAS AN OBSERVER AT THE SECOND REVIEW CONFERENCE IN 1980). WE WOULD NOT WISH TO MAKE ANY MOVE ON THIS UNTIL CLOSER TO THE TIME OF THE REVIEW CONFERENCE AND UNTIL WE KNOW MORE OF ARGENTINA'S VIEWS. ARGENTINA CAN BE EXPECTED TO HAVE AN INFLUENCE, THROUGH THE NEUTRAL AND NON-ALIGNED TROUP AND THE NON-ALIGNED MOVEMENT, ON ATTITUDES AMONG DEVELOPING COUNTRY TREATY MEMBERS AT THE CONFERENCE.

WE WILL KEEP YOU INFORMED ON RELEVANT DOMESTIC AND INTERNATIONAL DEVELOPMENTS IN THE FIELD OF NUCLEAR POLICY. WE HAVE BEEN PLEASED WITH YOUR REPORTING; AS YOU KNOW WE ARE INTERESTED IN REGULAR REPORTING ON NUCLEAR DEVELOPMENTS IN ARGENTINA, BOTH ON DOMESTIC DEVELOPMENTS AND ON ARGENTINE ATTITUDES TOWARDS INTERNATIONAL NUCLEAR ISSUES (E.G. IAEA, NPT, TREATY OF TLATELOLCO, REGIONAL NUCLEAR RELATIONS AND SUPPLIER POLICIES). WE HOPE THAT, IN FURTHER

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CONSULTATIONS WITH THE ARGENTINE GOVERNMENT, YOU WILL BE ABLE TO EXPLORE NUCLEAR POLICY ISSUES IN SOME DETAIL. ONE POSITIVE STEP ARGENTINA COULD TAKE WOULD BE RATIFICATION OF THE TREATY OF TLATELOLCO. WE SHOULD CONTINUE TO RAISE THIS WITH ARGENTINA AGAINST THE BACKGROUND OF OUR OWN COMMITMENT TO ACHIEVING A NUCLEAR-FREE ZONE IN THE SOUTH PACIFIC.

IN THE SAME CONTEXT WE SHOULD MAKE THE MOST OF THE LIMITED SCOPE FOR ARGENTINA AND AUSTRALIAN TO CO-OPERATE IN THE CONFERENCE ON DISARMAMENT IN GENEVA. THIS COULD HELP TO OFF-SET OUR DIFFERENCES ON NUCLEAR ISSUES WHERE ARGENTINA DOES TEND TO BE EXTREME AND AT TIMES DIFFICULT. THERE IS POTENTIAL FOR SUCH CO-OPERATION IN AREAS OTHER THAN NUCLEAR ISSUES. FOR EXAMPLE, AUSTRALIA AND ARGENTINA SHARE CONCERNS ABOUT CHEMICAL WARFARE AND THE USE OF CHEMICAL WEAPONS, TOPICS WHICH ARE LIKELY TO ASSUME INCREASED IMPORTANCE THIS YEAR. WE HAVE BEEN ENCOURAGED BY THE ATTITUDES OF THE USA AND THE USSR TOWARDS A NEW AND VERIFIABLE CHEMICAL WARFARE REGIME AND WE WILL BE WORKING POSITIVELY TOWARDS A NEW TREATY TO REPLACE THE 1925 GENEVA PROTOCOL ON THE USE OF CHEMICAL WEAPONS.

THE CONSULTATIVE MACHINERY WHICH HAS BEEN ESTABLISHED RECENTLY SHOULD ASSIST THE DEVELOPMENT OF OUR BILATERAL COMMERCIAL RELATIONS WITH ARGENTINA. AS YOU POINT OUT, THE IMMEDIATE PROSPECTS FOR AN EXPANSION OF BILATERAL TRADE WILL BE LIMITED BY ARGENTINA'S ECONOMIC PROBLEMS BUT THE RESTORATION OF OUR EXPORTS TO PRE-FALKLANDS WAR LEVELS MAY BE A REALISTIC MEDIUM TERM GOAL.

THE ALFONSIN GOVERNMENT FACES A VERY DIFFICULT TASK IN RESUSCITATING THE ECONOMY. IT WILL NEED TO TREAD A VERY FINE LINE BETWEEN THE IMF'S POLICY PRESCRIPTION OF DEFLATION, DEVALUATION AND PRICE REFORM AND POLITICAL DIFFICULTIES ARISING FROM THE HEIGHTENED EXPECTATIONS OF A POPULACE SUFFERING HIGH UNEMPLOYMENT AND DECLINING INCOME. THE EFFECTIVENESS OF THE IMF IN SUCH DIFFICULT CASES IS A MATTER OF GREAT INTEREST TO THE INTERNATIONAL COMMUNITY AND HAS SERIOUS IMPLICATIONS FOR THE FUTURE SUPPORT FOR THE FUND FROM DEVELOPING COUNTRIES. EXTERNAL FACTORS (E.G. SUSTAINED INTERNATIONAL RECOVERY; THE VALUE OF THE US DOLLAR; THE LEVEL OF INTEREST RATES) WILL BE AN IMPORTANT DETERMINANT OF DOMESTIC ECONOMIC PERFORMANCE. ON BALANCE, THE INTERNATIONAL ECONOMIC OUTLOOK FOR THE REMAINDER OF 1984 PROVIDES ARGENTINA WITH SOME PROSPECT OF STABILISING ITS ECONOMY BUT A RETURN TO SUSTAINED ECONOMIC GROWTH APPEARS TO BE SOME YEARS AWAY.

THE RECENT AGREEMENT ON THE REFINANCING OF SOME OF ARGENTINA'S FOREIGN LOANS, A NOVEL FEATURE OF WHICH WAS THE INVOLVEMENT OF OTHER LATIN AMERICAN COUNTRIES, IS A WELCOME BUT TEMPORARY SOLUTION TO ITS IMMEDIATE FINANCIAL DIFFICULTIES. IN THE ABSENCE OF A MAJOR RESCHEDULING IT MAY BE EXPECTED THAT NEGOTIATION OF TEMPORARY

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DIPLOMATIC COMMUNICATIONS NETWORK

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MEASURES WILL OCCUR AT FREQUENT INTERVALS. WE ARE ALSO INTERESTED IN THE LONGER TERM PERSPECTIVES ON THE POSSIBILITIES OF LATIN AMERICAN COUNTRIES ATTAINING ECONOMIC GROWTH UNDER THE HANDICAP OF THEIR LARGE DEBT BURDENS.

WE WOULD WISH YOU TO MAINTAIN THE PRIORITY YOU CURRENTLY ACCORD ECONOMIC REPORTING, AND ARE PLEASED WITH THE HIGH STANDARD OF REPORTING YOU HAVE PROVIDED. WE WOULD LIKE THE POST TO PREPARE QUARTERLY ECONOMIC REPORTS, HOWEVER. THESE ARE OF USE TO US AS THEY PROVIDE A CONTINUING OVERVIEW OF THE ECONOMY AND ITS RELATIONSHIP TO THE POLITICAL PROCESS. THE QERS ARE WIDELY DISTRIBUTED. WE DO NOT LOOK FOR A DETAILED LENGTHY REPORT; THREE OR FOUR PAGES CONCENTRATING ON THE MAJOR INDICATORS OR EVENTS IS USUALLY SUFFICIENT. IT IS USEFUL FOR DEPARTMENTS IN CANBERRA TO RECEIVE THESE CONSOLIDATED REPORTS, INCLUDING COMMENTS OVER TIME, AS A SUPPLEMENT TO AD HOC (UNDERLINED) REPORTING WHICH, WHILE IMPORTANT, DOES NOT ALWAYS PROVIDE THE BROADER PERSPECTIVE. WE DO NOT, OF COURSE, REQUIRE THE SAME EXTENT OF REPORTING ON URUGUAY AND PARAGUAY, BUT WOULD APPRECIATE OCCASIONAL BROAD OVERVIEW REPORTS.

ARGENTINA CONTINUES TO PLAY AN ACTIVE ROLE IN DISCUSSION OF INTERNATIONAL ECONOMIC ISSUES, A POSITION HEIGHTENED BY ARGENTINA'S HOSTING OF THE G77 FOREIGN MINISTERS' PRE-UNCTAD VI MEETING IN BUENOS AIRES AND THE SUBSEQUENT CONTINUING DISCUSSION OF THE BUENOS AIRES PLATFORM AND THE DECLARATION ADOPTED AT THAT MEETING. YOUR INSIGHTS INTO ARGENTINE THINKING AND EXPERIENCE ON THESE ISSUES CONTINUE TO BE VALUED. IT MIGHT BE NOTED THAT THE SUCCESS OR OTHERWISE OF ARGENTINA'S ATTEMPTS TO COPE WITH ITS CURRENT DEBT PROBLEMS PROVIDES SOMETHING OF A TEST CASE FOR THE VIEW THAT THE EXISTING INTERNATIONAL TRADE AND FINANCE SYSTEM CAN ADAPT TO COPE ADEQUATELY (A VIEW SHARED BY MOST DEVELOPED AND SOME DEVELOPING COUNTRIES) AND THE CONTRARY G77 VIEW THAT EVOLUTION MUST BE ASSISTED.

WE HAVE APPRECIATED YOUR REPORTING ON HUMAN RIGHTS ISSUES AND DEVELOPMENTS IN ARGENTINA, PARAGUAY AND URUGUAY THROUGHOUT THE YEAR. WE NATURALLY WELCOMED THE TRANSFORMATION IN ARGENTINE HUMAN RIGHTS POLICY BROUGHT ABOUT BY THE ALFONSIN GOVERNMENT. AS YOU ARE AWARE, WE WOULD LIKE TO RESPOND POSITIVELY TO ARGENTINE APPROACHES TO DEVELOP DIALOGUE ON HUMAN RIGHTS ISSUES. WE AGREE THAT SCOPE EXISTS FOR THE EXCHANGE OF INFORMATION ON DOMESTIC HUMAN RIGHTS MACHINERY AND ALSO ON INTERNATIONAL HUMAN RIGHTS INSTRUMENTS, AND FOR GREATER CO-OPERATION WITH ARGENTINA IN MULTILATERAL FORUMS.

YOU WILL ALSO BE AWARE OF OUR INTEREST IN REGIONAL HUMAN RIGHTS ORGANISATIONS. ARGENTINA'S MOVE TO BECOME A MEMBER OF THE INTER-AMERICAN COMMISSION IS OF RELEVANCE IN THIS CONNECTION.

WE WOULD APPRECIATE YOUR CONTINUING EFFORTS IN REPORTING ON

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INDIVIDUALS WHOSE CASES MAY BE OF RELEVANCE TO THE NEWLY ESTABLISHED REGISTER OF REPRESENTATIONS ON ALLEGED HUMAN RIGHTS VIOLATIONS.

WE EXPECT THAT THE POLITICAL SITUATION IN URUGUAY (UNDERLINE) WILL REMAIN OF CONTINUING CONCERN TO THE URUGUAYAN COMMUNITY IN AUSTRALIA AND TO HUMAN RIGHTS ORGANISATIONS HERE AND ABROAD. WE WILL FOLLOW WITH INTEREST POLITICAL DEVELOPMENTS IN URUGUAY THROUGHOUT 1984. OUR INTERESTS INCLUDE REPORTING ON PROSPECTS FOR CONSENSUS BETWEEN THE GOVERNMENT AND THE POLITICAL PARTIES PRIOR TO ELECTIONS, AND ON KEY ISSUES AND PERSONALITIES IF AND WHEN THE CAMPAIGN GETS UNDER WAY.

ALTHOUGH PARAGUAY (UNDERLINE) REMAINS OF MINOR CONCERN BILATERALLY TO AUSTRALIA, WE ANTICIPATE INCREASED INTERNATIONAL INTEREST IN THE HUMAN RIGHTS SITUATION IN THE LIGHT OF AMNESTY INTERNATIONAL'S RECENT REPORT AND CAMPAIGN. WE WOULD BE INTERESTED TO RECEIVE AN OCCASIONAL POLITICAL ROUND UP. WE ANTICIPATE THAT WE WILL NEED ALSO TO REFER TO YOU A SMALL NUMBER OF ENQUIRIES ABOUT HUMAN RIGHTS CASES.

IN RELATION TO POST MANAGEMENT ISSUES, THE TRANSFER OF THE THIRD SECRETARY POSITION IN BRASILIA TO BUENOS AIRES SHOULD PROVIDE SCOPE FOR REPORTING TO BE EXPANDED ON THE MATTERS OF INTEREST IDENTIFIED ABOVE. AS YOU KNOW, THE OCCUPANT OF THE POSITION MAY BE REQUIRED TO PROVIDE RELIEF IN OTHER SOUTH AMERICAN POSTS.

I AM PLEASED THAT IT IS NOW CONFIRMED THAT THE POST LIAISON VISIT WILL TAKE PLACE SHORTLY. YOU WILL HAVE RECEIVED SEPARATE ADVICE ON THE ARRANGEMENTS.

IN CONCLUSION, MAY I THANK YOU AND YOUR STAFF FOR YOUR EFFORTS OVER THE PAST YEAR.

(P.G.F. HENDERSON)

H.E. MR M.J. DAN,
AUSTRALIAN AMBASSADOR TO ARGENTINA
BUENOS AIRES

DISTRIBUTION IS LIMITED ONLY TO :

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226/9/10

6 December 1983

Annual Reviews

In his letter of 8 November 1983 to Heads of Mission, the Secretary invited comment on the subject of Annual Reviews. I also believe that these reviews are valuable. One of the main advantages of a post review is that all the threads are drawn together once a year and this gives the Department (and the Post) a bird's-eye view of the Post's operations as a whole. It may be especially valuable for the Department's geographical area where subjects such as administration, nuclear and Antarctica may sometimes not come into sharp focus like the political subjects. A judgement needs to be made by the Department whether the Post's reporting is on the right track, whether it has got its priorities right and overall whether the Government is getting its money's-worth from the Post.

In an exercise such as this the Post's staffing resources need to be kept in mind. In our own case we have a one-man political section (not counting the HOM). Our output could be increased considerably with one more political officer. I think a Post's staffing situation should be listed at the beginning of each review so that the reader knows from the start what output could reasonably be expected.

In my letter of 2 September 1983 to Jeff Benson I enquired when we might expect to receive a reply to our review for 1982/83 which I sent on 30 March (it was incorrectly dated April). We have had a pretty bad run in this respect because the Falklands war meant that we received no reply to our 1981/82 review (a correct decision by the Department); on my return to Canberra for consultations in February 1982 I discovered that the Department's draft reply to our 1980/81 review had been filed in the belief that it had already been typed up in final form and despatched to us! We received the reply after we had sent out the next review!

I think that one could argue that it is even more important that Posts like Buenos Aires which are physically (and in some other ways) off the beaten track

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should receive prompt replies to their annual reviews. Frankly, it does not help us much if the replies come late. By then so much becomes out of date.

Judging by the Department's replies we have received in the past I think the main problem is that the Department tries too hard to produce a nice, rounded reply to everything under the sun. In some cases the replies are so complete that they almost seem to be mirror images of the original reviews.

It seems to me that the best plan would be for the Department to comment only on the most significant aspects of a review and not try to cover every subject. It should pick out the eyes of the review. If the Post is providing what the Department wants it should be told simply to carry on as before. If the Post is spending too much time on local political subjects and too little on bilateral issues that should invite comment. The key thing is for the Post to know whether or not it is producing what is expected of it and to hear from the Department quickly.

(Malcolm Dan)
Ambassador

Mr R.G. Irwin,
Assistant Secretary,
Executive Secretariat,
Department of Foreign Affairs,
CANBERRA, A.C.T.

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ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
APRIL 1982 - MARCH 1983

226/9/10

The Falklands crisis cast a long shadow over Australia's relations with Argentina. It dated from the start of the year under review and dominated the Mission's activities for almost the entire period. Australia throughout the conflict was in the forefront of Britain's supporters. Our strong position of opposition to the use of force and our condemnation of the Argentine invasion were made abundantly clear to the Argentine authorities from start to finish.

2. But the bilateral relationship withstood the strains imposed by our highly critical position. Within the Argentine administration there was a realistic appreciation of the position of principle taken by Australia and of our historic ties with Britain. Accordingly, throughout the war we had access to key areas of the Argentine administration that was closed to many other Western countries. Relations were helped by our abstention on the Falklands resolution at UNGA 37 (Argentina feared we would vote against). It has been made clear to us that Argentina values the bilateral relationship especially in areas such as Antarctica and over the entire range of international commodity questions, and wants it to develop.

3. The Falklands issue will dominate - and distort - Argentine foreign policy for many years to come. It has the potential to affect directly, and suddenly, our bilateral relations. A second Argentine attack, which I currently assess as highly unlikely, would seriously damage the relationship. We will continue to impress on the Argentines the serious consequences for them generally, and on relations with Australia in particular, of a resort to force in the Falklands dispute.

4. As a result of the decision to return to constitutional democracy in Argentina, with elections scheduled for October 1983 and the handover to the elected civilian government in January 1984, the Mission concentrated to a greater degree on reporting internal political and economic developments.

5. Argentina and Australia have many important interests in common and it is the Mission's objective to extract as much benefit for Australia from the relationship. We continued to give as much attention as possible to bilateral issues although for the greater part of the year almost all bilateral issues (with the notable exception of Antarctica) were pushed into the background by the Falklands.

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

6. Argentina has traditionally been Australia's major export market in Latin America. In 1981/82 exports to Argentina totalled \$70.5m, an increase over the \$55.3m recorded in 1980/81. Australia's trade with Argentina over the last two years has been below the record \$91.3m recorded in 1979/80. In last year's report we suggested that Australia's exports to Argentina would approach \$100m for 1981/82. However the Falklands conflict and the introduction by Australia of economic sanctions against Argentina adversely affected our export sales to Argentina in 1982. The purchase of alumina by Aluar of Argentina from

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Australia was temporarily suspended with the agreement of Alcoa Australia Ltd. Prospective sales of coal, some iron and steel products and a number of other commodities were also affected. Reduced economic activity in Argentina, the high level of foreign debt, changes in the method of overseas payments, and the introduction of some import controls, has affected Argentina's level of imports.

7. The most important factor in Australian/Argentine trade relations is our common interest in agricultural commodity matters. Both countries have maintained close contact on a wide range of international commodity issues. Consultations in Buenos Aires on these matters constitute a most important aspect of the post's activities. During the year Mr P.H. Barratt, Deputy Secretary, Department of Trade, visited Argentina for discussions with senior Argentine officials on trade and agricultural commodity matters. During this visit we initiated a proposal for regular six monthly meetings between the Embassy and the Secretariat of Foreign Trade. The purpose of these meetings will be to discuss the wide range of bilateral and multilateral trade issues of importance to Australia and Argentina. It is expected that the first meeting will be held in April.

8. In spite of the Falklands crisis, our close co-operation with the Argentine government on Antarctic issues increased and intensified. Argentina shared our view and that of other Antarctic Treaty Consultative Parties that the conflict should not be permitted to affect co-operation between the Treaty partners. There was active consultation with Argentina about the first meeting of the CAMLR Commission held in Hobart and the Wellington Special Consultative Meeting on minerals. There was also a close identity of views in regard to the issue of Malaysian and Indian interest in the internationalisation of Antarctica, and we worked particularly closely with Argentina on the problem of Malaysia's Antarctic initiative at the NAM Summit in New Delhi. There will be further opportunities for such cooperation during the Preparatory Meeting to the XII Antarctic Treaty Consultative Meeting, and the XII ATCM itself, both to be held in Canberra.

9. Argentina's nuclear programme continued to be an area of major importance for the Mission, particularly in view of the hardening of Argentina's opposition to the NPT as a result of the Falklands war. Argentina made the accusation that the British naval forces during the war carried nuclear weapons, and it was also very critical of Britain's use of nuclear powered vessels. As a direct consequence, Argentina has indicated its intention to study the possibility of producing its own nuclear powered vessels. It also moved nearer to completing the nuclear fuel cycle and hence closer to a nuclear explosive capability. These developments made even more important the need for responsible non-proliferation exponents such as Australia to look for ways to encourage Argentina to remain on a peaceful nuclear path.

10. As in recent years migration from Argentina and Uruguay continued to be one of the Mission's major interests. The numbers of migrants from Argentina increased again in 1982 with 655 persons migrating compared to 419 in 1981 and 383 in 1980. Interest among Uruguayans however has continued to decline, with only 105 persons migrating in 1982 compared with 159 in 1981. The total number of Argentines and Uruguayans living in Australia is now estimated to be approximately 12,000 in each case. The

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umber of tourists visiting Australia from Argentina declined substantially from over 2000 to approximately 500, mainly because of the economic situation in Argentina and the cessation of the service by Aerolineas Argentinas direct to Auckland from Buenos Aires. The number of Uruguayan tourists remained the same as in 1981, at approximately 300 persons. The majority of Argentine and Uruguayan tourists travelled to Australia to visit relatives.

11. With the introduction of the new immigration policy on 19 April 1982 and the subsequent large reduction in occupations in demand in Australia advised in January 1983, the number of persons without close family ties to Australia eligible to migrate has reduced significantly. There has also been declining interest as the community has become aware of the situation. However, the decline in the number eligible under the occupations in demand category may be offset by a significant increase in persons being sponsored by their brothers or sisters.

12. Forty-nine refugees were approved in South America in 1982 under the Latin America Refugee Programme, of whom 21 were Uruguayans temporarily resident in Brazil or Argentina and 9 were Chileans temporarily resident in Argentina. The approval and movement of these refugees has not caused any adverse reaction or comment by the governments concerned.

13. Human rights received greater attention in Argentina as a result of the widespread focus on the issue of the disappeared persons. The scheduled return to democracy brought a lifting of the ban on political activity and removal of practically all restraints on freedom of expression. The political parties, as well as the human rights groups, have focussed on the issue as one of the major problems requiring a solution by the government and armed forces before the scheduled handover to the elected government in January 1984. We have discussed human rights issues with leading Argentine personalities and impressed on key officials the need for Argentina to find a solution to the problem of the disappeared. I will be shortly preparing a despatch on this subject.

14. The Mission maintained the dialogue we have established with Foreign Ministry officials on major economic issues of common interest. The visit of Mr P.H. Barratt, Deputy Secretary of Trade (referred to above) gave an opportunity for discussions with senior officials on a range of agricultural commodity issues. We have also maintained close contact with the Foreign Ministry on the G77 Ministerial Meeting in Buenos Aires in preparation for UNCTAD VI. We continue to feel that it would be of benefit to Australia to further develop our consultations with Argentina - bearing in mind its prominent role in the G77 - and on collaboration on areas of common interest, particularly in regard to the EC. In our reporting of the internal economic situation we have given particular attention to the foreign debt problem. I wrote a despatch on the state of the economy.

15. Our modest programme of scientific-technical exchanges continued with the nomination of an Argentine agricultural specialist to attend a study tour in Australia on the underground storage of grains, scheduled for later in 1983. We were disappointed that we were unable to offer any of the available

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AB sponsored training aid courses in Argentina because they either not appropriate to this region or beyond the means of our annual allocation.

16. In the area of civil aviation, the promising "South Polar" service between Buenos Aires and Auckland, was suspended by New Zealand because of the Falklands conflict. However negotiations have now been held on a new agreement and we understand that Aerolineas Argentinas is expected to resume its flights in April. Aerolineas remains interested in extending the service to Sydney which would considerably facilitate communications between Australia and the southern part of Latin America.

17. The visit by violinist Ronald Woodcock was the major event in our cultural and information programme, and his successful recital attracted favourable attention to the high standard of performing arts in Australia. Preparations are under way for the ABC's television series on South America which we anticipate will be of major importance in increasing awareness in Australia of the countries of Latin America.

28. During the year we gave priority in our administration programme to improvements to the physical security of the office including the registry and communications areas. The security of the reception area on the Chancery floor has been upgraded. Security arrangements for the other two floors of the office will be started at the earliest opportunity. We also gave priority to property issues. A third apartment was purchased to house Embassy staff. We anticipate that the acquisition of this and the two properties bought in the previous year should result in substantial savings to the Australian Government over the coming years. There is a strong case for our acquiring further properties, particularly given the fact that Buenos Aires is likely to remain a buyer's market for at least the next year.

URUGUAY AND PARAGUAY

19. As in the previous year, there was little change in our relations with Uruguay and Paraguay. In the case of Uruguay, trade, agricultural commodity issues and immigration continued to represent our principal interests. Uruguay's participation in the Sinai peacekeeping force was also a subject of common interest. (Details of the migration programme are contained in the Immigration Section above). On the negative side, we continued to monitor the human rights situation and we made approaches to the Foreign Ministry about individual cases. Our limited staffing resources have meant that our political reporting has had to focus on the major developments in the process of political transition, scheduled to culminate in general elections in 1984. As an Antarctic Treaty Contracting Party, Uruguay has an active interest in Antarctic issues and there is scope for developing useful consultations with the Foreign Ministry on this subject. Our relations with Paraguay were again limited and as a consequence in our reporting we have sought to cover only major developments. We made representation to the Foreign Ministry on human rights cases.

* See Addendum page 5.

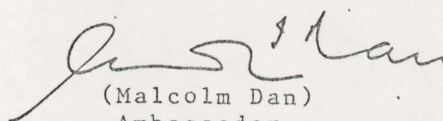
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CONFIDENTIALTHE YEAR AHEAD

20. Developments in the Falklands sovereignty issue and the elections in Argentina will have high priority in the Mission's work during the coming year. We will also continue to give priority to bilateral matters. With the expected advent of a civilian administration in Argentina in January 1984, a review will be required of the major aspects of the overall bilateral relationship at that time. Most of this will have to be handled by two officers - the Head of Mission and his sole political officer, the First Secretary. It is for decision whether a second political officer is needed. A case in favour of such an officer is already before the Department.

21. All section heads have been consulted in the preparation of this review.


(Malcolm Dan)
Ambassador

28 March 1983

* "We suggest that official visits to Argentina by Government representatives be extended to include Uruguay. The flight to Montevideo from Buenos Aires is only 30 minutes, and a useful visit can be completed in the course of a single day."

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FOREIGN AFFAIRS

FILE No.....

DATE.....

SUBJECT

FOR.....

Mr A Brady

Attached is a draft
on human rights for
inclusion in reply to
the B.A. Annual Review.

Drafts on Refugees &
Falklands will follow
shortly

J. S. Sweeney
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FOREIGN AFFAIRS

226/9/10

FILE No. 832/1

DATE 24 October 1983

SUBJECT

BUENOS AIRES ANNUAL REVIEW

FOR

Mr M. Hughes
AS Americas
Branch

cc/A

The following are comments by Economic Relations Branch for inclusion in the Secretary's reply to the Buenos Aires annual review:

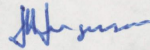
2. We have appreciated the quality of the post's reporting on Argentina's economic problems and the negotiations which are continuing between the Argentine authorities and the IMF on the country's debt situation.
3. Economic reporting in the monthly savingsgrams has proved useful although we would be grateful to receive as well regular QER's to assist us in the preparation of briefings for Ministers and officials which we are called upon to provide, at times with very little notice.
4. We look forward to your continued monitoring of the Argentine Government's efforts to resolve its current economic problems and would be interested in this regard in your assessment of the likely future development of the Argentine market for Australian exports and of prospects of any strengthening in Argentine's international competitiveness vis-a-vis Australia in regard to export of common agricultural commodities.
5. While we do not require the post to provide a coverage of economic developments in Paraguay and Uruguay comparable to your reporting on Argentina, we would nonetheless appreciate reports on the general economic situation in these countries periodically, as resources at the post permit.
6. The following additional comments have been passed to us by the Department of Trade:

'In our view the report gives an accurate account of conditions within Argentina, Uruguay and Paraguay. Depressed economic conditions in Argentina in particular have in recent months led to a fall in trade enquiries from both Australian exporters and Argentinian importers. As a result of wide publicity given to Argentina's economic crisis and consequent Government moves to rectify this situation, many Australian exporters are reported to be experiencing difficulties in finding Australian banks willing to confirm letters of credit opened in Argentina. We are continuing to monitor this situation and provision by the Post of regular advice of the economic climate, especially in Argentina, is appreciated.

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We agree that our common interest in agricultural commodity matters is of major importance in our trade relations with Argentina and welcome the proposed bilateral meetings.

We have noted your advice that future official visits to Argentina should include Uruguay. Indeed, during consultations between the Trade Commissioner, Buenos Aires and the President of the Uruguay Meat Board in August 1982, it was agreed that Uruguay and Australia should consult more closely in international fora on matters of mutual interest, such as International Meat Council and GATT Ministerial Meetings.'



(J.A. Ferguson)
Assistant Secretary
Economic Relations Branch

FOREIGN AFFAIRS

226/9/10

FILE No. P 602/82/1

DATE 7 June 1983

SUBJECT

1982 ANNUAL REVIEW - BUENOS AIRES

ASSISTANT SECRETARY
AMERICA'S BRANCH
FOR

The Buenos Aires Annual Review for 1982
does not refer to any Personnel Policy matters
which require comment by this Section.

L.B. Maher

(L.B. Maher)
Executive Officer
Personnel Policy Section

→

CELLA

Mr Jackson

PS

Miss O'Grady

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FOREIGN AFFAIRS

FILE No. 626/11/12

DATE 21 April 1983

SUBJECT

REPLY TO ANNUAL REVIEW : Buenos Aires

FOR Mr. Hughes

Assistant
Secretary

(America's Branch)

C.C.:

Mr Williams (PA)

Mr Hindleman (IC)

Mr Percival (ISSP)

Mr Mott (IO)

Mr. Selth (EC)

Mr Hodgson (EL)

Mr Bray (GLI)

Mr Leary (SO)

Mr Smith (PS)

Mr Johnson (KPL)

Mr Nicholson (MLT)

Mr Townsend (DAC)

Mr McCarthy (CP)

Attached is a copy of the Buenos Aires Annual Review for the period April 1982 to March 1983.

2. A draft reply to the Review is to be prepared by the Assistant Secretary, America's Branch. The reply is due by 20 May 1983

3. In accordance with the arrangements outlined by the Secretary in Administrative Circular No. 92/81, I should be grateful if other addressees could forward any comments on the policy issues related to the Review to that Branch Head as quickly as possible. (Contributions should not be sent to the Executive Secretariat.) It is the responsibility of the action Branch to inform contributors of the use to which their comments are put and, where requested, to let them have copies of the reply finally sent to the post.

for Mr. Selth
(Andrew Selth)
Policy Coordination &
Secretariat Section

Mr. Selth

Mr. Leary

CONFIDENTIAL

Do you wish to comment on Ant Not necessary. —
MLT may wish to do so.
Mr. Selth Valcom preparations?

R/S To this week 17/5

CONFIDENTIAL
FOREIGN AFFAIRS

226/9/10

Mr Jackson
for reply
11.21/4

FILE No. 626/11/12

DATE 21 April 1983

SUBJECT

REPLY TO ANNUAL REVIEW : Buenos Aires

FOR Mr Hughes

Assistant
Secretary

(Americas Branch)

C.C.:

Mr Williams (PA)

Mr Hutchinson (PCL)

Mr Percival (SSP)

Mr Mott (10)

Mr Super (CO)

Mr Rodgers (EL)

Mr Gray (GLI)

Mr Seaberg (SO)

Mr Smith (PS)

Mr Hohen (KRO)

Mr Nicholson (MLT)

Mr Townsend (DAC)

Mr McCarthy (CP)

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Spoke to Howard C. Brown, Ken Power passed to B.D. Darrell 4/10. *comment*

M. Peck ✓ no comment

spoke to I. Sweeney 5/10

Mr Catson
(Andrew Selth)
for Policy Coordination &
Secretariat Section

CONFIDENTIAL

FOREIGN AFFAIRS

226/9/10

FILE No. 1616/1/2/2

DATE 29 April 1983

SUBJECT

ANNUAL REVIEW - BUENOS AIRES

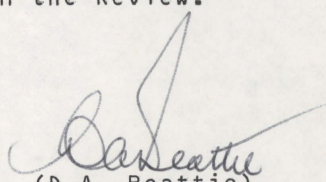
FOR

Americas Branch

CC/A

Please refer to Policy Co-ordination and Secretariat Section Minute 626/11/12 of 21 April 1983 requesting comments on the Annual Review from Buenos Aires.

2. The Consular and Passports Branch has no comment to offer on the Review.


(D.A. Beattie)
Consular Section

CONFIDENTIAL
FOREIGN AFFAIRS

2269/10

FILE No. 626/11/12

DATE 21 April 1983

SUBJECT

REPLY TO ANNUAL REVIEW : Buenos Aires

FOI Mr Hughes

Assistant
Secretary

(America's Branch)

C.C.:

Mr Williams (PA)

Mr Henderson (IC)

Mr Percival (ISS)

Mr Mott (IO)

Mr Piper (EC)

Mr Hodgson (EL)

Mr Bray (GLI)

Mr Seasey (SO)

Mr Smith (PS)

Mr Johnson (LAW)

Mr Nicholson (MLT)

Mr Townsend (DAC)

Mr McCarthy (CP)

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We agree with Dame's comments on Antarctica, on which cooperation is remarkably good, despite the Falklands.
(Andrew Selth)
for Policy Coordination & Secretariat Section

CCCA
→

CONFIDENTIAL

FOREIGN AFFAIRS

226/9/10

FILE No. 553/1/44
DATE 23 May 1983

SUBJECT

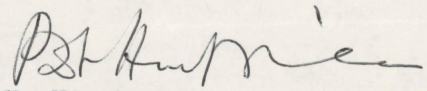
Reply to Annual Review Buenos Aires

FOR ~~Mr Hughes~~
~~Assist Sec~~
~~Americas Branch:~~

CCLA

Miss O'Grady

We have noted the brief comment on cultural relations and the information program on p.4 and there are no policy matters we wish to comment on.


E. H. Hincksman
Cultural Exchanges Section

CONFIDENTIAL
FOREIGN AFFAIRS

FILE No. 626/111/12

DATE 21 April 1983

SUBJECT

REPLY TO ANNUAL REVIEW : Buenos Aires

FOR Mr Hughes

Assistant
Secretary

(America's Branch)

C.C.:

Mr Williams (PA)

Mr Henderson (IC)

Mr Kerr (ISSF)

Mr Mott (IO)

Mr Owen (EC)

Mr Rodgers (EL)

Mr Brown (GLI)

Mr Seavey (SO)

Mr Smith (PS)

Mr Johnson (KRO)

Mr Nicholson (ALT)

Mr Townsend (DAC)

Mr McCarthy (CP)

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Mr Potts
Mr Johnson

Mr Brown to coordinate reply



Mr Catson
(Andrew Selth)
for Policy Coordination &
Secretariat Section

PM

25/4

CONFIDENTIAL

Mr Henderson
no comments called for from AEA Sec

25/4

FOREIGN AFFAIRS

FILE No.

DATE

226/9/10
19 May 1983

SUBJECT

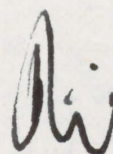
B.A.
~~Saracas~~ - Annual Review

FOR Ms. O'Grady

I suggest that we include something along the following lines in the Department's reply to the recent AR:

"The proposal for an additional political officer is under consideration. In the light of continuing restraints on staff ceilings and the need to strengthen a number of areas in the Department's central office in line with the Government's priorities, it is unlikely that a decision can be taken for several months. In these circumstances we consider that the question of the mission's staffing requirements should be taken up in the context of the proposed Post Liaison Visit ~~scheduled~~ *proposed* for later this year."

2. We will consult with you on this question prior to the PLV.



Paul Hohnen
RPLU.

FOREIGN AFFAIRS

226/9/10

CONFIDENTIAL

FILE No.

DATE 25 May 1983

SUBJECT ..

REPLY TO ANNUAL REVIEW - BUENOS AIRES

FOR ~~P.C.O.~~
Secretariat

~~Mr Hughes~~
AM Branch

cc: A

The following comment is suggested: -

The Embassy's contact with the Argentinians on G77 and UNCTAD matters is appreciated, and we would hope that it may continue and develop. There is some prospect that the pace of international economic discussions in New York, Geneva and elsewhere will pick up in the period ahead, as the G77 seek to pursue and develop ideas and approaches on development issues adopted this year in New Delhi, Buenos Aires and Belgrade. Argentina can be expected to continue to play an important role within G77.

J.A. Piper
(J.A. Piper)
Assistant Secretary
Economic Organisations Branch

226/9/10

REFUGEES AND ASYLUM SECTION RESPONSE TO BUENOS AIRES ANNUAL REVIEW

Your reporting on South American refugees/human rights has been helpful. In view of Australia's expanding interest in refugees in the region we would welcome your comments in future on:

- the return to Argentina of political exiles in the lead up to and wake of the election;
- the continuing debate on the proposed amnesty law;
- movements of other displaced South Americans and refugees into Argentina (e.g. Chileans)
- the work of the UNHCR Regional Office in Buenos Aires and its evolving relationship with the Argentine authorities; and
- directions in Argentina's modest resettlement program for Indo-Chinese refugees

We would also appreciate being kept informed of any moves towards or pressures for a political amnesty in Uruguay.

Peter Spiden -
10/10/83

FOREIGN AFFAIRS

226/9/10

FILE No. 1634/101

DATE 5 October 1983

SUBJECT Buenos Aires: Annual Review

FOR

Ms O'Grady
CGLA.

You may wish to include the following in the reply to the Annual Review of Australia's relations with Argentina, Uruguay and Paraguay.

"The Department of Immigration and Ethnic Affairs has not offered any specific comment on paragraphs 10 and 11 of your Annual Review. For our part, we are not aware of any repetition of earlier instances which caused you concern. Your estimation of the size of the Argentine and Uruguayan communities accords with our own statistics."

Michael Smith
Immigration Section

226/9/10

HUMAN RIGHTS

We agree that the "disappeared" seem likely to continue to attract international human rights interest, particularly as the issue is of such pressing public concern within Argentina itself. However, the more flexible position taken by the Argentine authorities with regard to other human rights questions appears to have taken some of the "heat" out of the issue within Australia. Clearly, if the timetable for the return of democracy is disrupted, we can expect to see intensified concern from within Australia about human rights in Argentina. The post's continuing reporting on the human rights aspects of the return to democracy will therefore be appreciated.

With regard to Uruguay, we have discerned something of a deterioration in the human rights situation in that country, accompanied by an increase in domestic pressure within Australia, particularly for action on individual cases. This can partly be attributed to the active emigre community within Australia and to the effectiveness of the international human rights campaign in relation to Uruguay (Amnesty International for example). Again, therefore, the post should continue to attach high priority to this aspect of its responsibilities.

While our bilateral leverage with regard to human rights in Paraguay is of course extremely limited, we believe that you should continue to make our concerns and those of the international community known to the Paraguayan authorities as appropriate opportunities arise.

You will be aware that we have been reviewing our broad human rights policy with a view inter alia to improving the effectiveness of our representations. One aspect which we are examining is the need to balance negative and critical comment with some positive input. We should therefore be grateful if you could keep in mind our wish to give appropriate support to positive developments in the human rights situation in the countries of responsibility.

FOREIGN AFFAIRS

226/9/10

CONFIDENTIAL

FILE No. 919/18/3

DATE 20 May 1983

SUBJECT

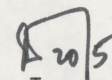
BUENOS AIRES : ANNUAL REVIEW : NPB COMMENT

FOR AMERICAS BRANCH

CCIA

The following points are for inclusion in the reply to BA's annual review.

1. We welcome the attention the post has given to nuclear matters and look forward to its continued reporting on nuclear issues.
2. Aspects of particular interest include:
 - (a) internal developments - including nuclear fuel cycle policy;
 - (b) supplier country policies and practices in respect of Argentina, in particular the evolving attitude of the US but also Western (and Eastern) European suppliers;
 - (c) Argentina's nuclear co-operation with other countries both in and beyond the South American region, its role as a supplier, and the terms and conditions of its supply;
 - (d) Argentina's policies towards the international non proliferation regime; and
 - (e) Any interest Argentina might show in the South Pacific Nuclear Free Zone proposal.
3. While we agree that Australia and others need to encourage Argentina to pursue a peaceful nuclear path domestically, and to adopt responsible nuclear supply policies, there is not at this time a sufficiently co-ordinated approach amongst supplier countries to provide optimism that such "encouragement" would be productive. We would welcome the posts considered views of the issues involved, including the impact of Soviet and Cuban attitudes as well that of the Falklands Islands war on Argentinas inordinately protracted moves to bring the Treaty of Tlatelolco and the required full-scope IAEA safeguards agreement into force.


(D.A. Townsend)
Assistant Secretary
EPPDN Division

CONFIDENTIAL

226/9/10

Thank you for your informative Annual Review for 1983.

Fresh draft passed to Exec Sec 27/4/84

In general, we were pleased with the post's political reporting during the period under review. Your dispatches on prospects for Argentina's first general elections in ten years provided useful background on both the electoral process and the main political parties. While the Radical Party's landslide victory on 30 October 1983 was unexpected, your subsequent reporting on the Party's evolving policies and domestic political developments have kept us well informed of the situation. We look forward to your assessments of the Alfonsin Government's performance as post-election euphoria wears off. We will be interested in periodic reporting of issues such as the controversial union reform bill and the trials of former Junta members charged with human rights violations.

The briefing provided for your meeting with Kelly on 1 February touched on many aspects of bilateral relations. As noted in the briefing, the installation of a democratically elected government in Argentina and the associated change in that country's human rights situation have opened the way for a ~~slightly~~ more substantial relationship than previously. We expect that this will be achieved through annual bilateral consultations with Argentine officials, the expansion of ongoing dialogue on matters of mutual interest including nuclear policy and human rights, some initiatives in the cultural and information spheres and perhaps a modest growth in the number of official visitors. *We will shortly be preparing a submission to Mr Hayden recommending that Dante Caputo be invited to visit Australia as a Guest of Government at a mutually convenient time during the next twelve months.*

We have appreciated your reporting on Argentina's role in regional affairs. The fresh impetus given to the resolution of the Beagle ^C channel dispute has attracted some interest and we would like to keep abreast of developments. You should also ^{continue} ~~follow closely~~ ^{to report} developments in Argentine/UK relations, and the Falklands. ~~It is good to know that the Argentines appear relaxed about Australia's position on the Falklands.~~ We noted from your talks with Kelly that the Argentines appear satisfied ^{our abstention} with ~~an~~ on the UN Resolution. The wishes of the Islanders will continue to be an important element in our consideration of the Falklands. We will seek to avoid taking a position on the question of sovereignty.

The Alfonsin Government faces a very difficult task in resuscitating the economy. It will need to tread a very fine line between the IMF's policy prescription of deflation, devaluation and price reform and political difficulties and the ^{suffering high unemployment and declining income} ~~heightened~~ ^{heightened} expectations of a populace. The question of how effectively the IMF operates in such difficult cases is a matter of ~~great~~ ^{great} interest to the international community and has serious implications for the future support for the Fund from developing countries. External factors will be an important determinant of economic performance.

//
nonew
para

// _____ A recovery in the world economy would benefit^e Argentina's trade balance and any fall in the value of the US dollar would reduce the external debt which is largely denominated in that currency. However high world interest rates, likely to continue in view of the large US budget deficit, will adversely affect the debt^b servicing burden. On balance the international economic outlook for the remainder of 1984 provides Argentina with some prospect of stabilising its economy but a return to sustained economic growth appears to be some years away.

// The recent agreement on the refinancing of some of Argentinas' foreign loans is a welcome but temporary solution to its immediate financial difficulties, a novel feature of which was the involvement of other Latin American countries. In the absence of a major ^{rescheduling} it may be expected that negotiations at stop gap ^{measures} will occur at frequent intervals.

We hope you will maintain your high standard of reporting on these issues. We are also interested in the longer term perspectives on the possibilities of Latin American countries attaining economic growth under the handicap of their large debt burdens. Our first priority is the re-establishment of quarterly economic reports. These are of use to us providing, as they do, a continuing overview account of the economy and its relationship to the political process and they are widely distributed. At the same time we do not look for a detailed lengthy report. Three or four pages concentrating on the major indicators or events is usually sufficient. It is

useful for Departments in Canberra to receive these consolidated reports, including comments over time, as a supplement to ad hoc reporting which, while important, does not always provide the broader perspective. We do not, of course, require, the same extent of reporting on Uruguay and Paraguay, but would appreciate broad overview reports from time to time as occasion permits.

The consultative machinery which has recently been established should assist the development of our bilateral commercial relations with Argentina. The immediate prospects for an expansion of bilateral trade will be limited by Argentina's economic problems but a realistic medium term goal may be the restoration of our exports to pre-Falklands war levels.

Argentina continues to play an active role in discussion of international economic issues, a position heightened by Argentina's hosting of the G77 Foreign Ministers' pre-UNCTAD VI meeting in Buenos Aires and the subsequent continuing discussion of the Buenos Aires Platform and the Declaration adopted at that meeting. While we would expect that exchanges on North/South issues will continue to take place in the various fora, notably UNCTAD, ECOSOC and the Second Committee of the General Assembly, the Post's insights

into Argentine thinking and experience on these issues continue to be valued. It might be noted that the success or otherwise of Argentina's attempts to cope with its current debt problems // provides something of a test/case for the view that the existing international trade and finance system can adopt to cope adequately (a view shared by most developed and some developing countries) and the contrary G77 view that evolution must be assisted.

The Latin American Food Security body CASAR (a subsidiary body of CELA) is located in Buenos Aires. A monitoring of the activities of CASAR by the post would be appreciated. It has approached us in the past requesting assistance for food security activities.

We are pleased that as a result of your discussions // with Kelly, the Argentine Government appears interested in considering seriously its position on the issue of non-proliferation. However, we would judge that it may be some time before Argentina is ready to clarify in detail its nuclear // non-proliferation ^{policy}. ~~However, we would judge that it may be some~~ // ~~time before Argentina is ready to clarify in detail its nuclear~~ // ~~non-proliferation policy.~~ We can understand its apparent wish to consider this issue in the context of its dispute with // ~~Britain on the Falkland Islands and its concern about security~~ ^{Argentina's} and the linkage with the Falklands issue // of supply of nuclear equipment and technology. However, we // were disturbed by your report that Argentina may be linking its position on non-proliferation with the issue of the renegotiation of its foreign debt. Any move by Argentina to

seems likely to be a complication while that issue remains a recent occurrence.

// connect these issues would seem to cast [✓] doubt on its seriousness about the priority of non-proliferation.

We will be actively concerned over the next 16 months with preparations for the Third NPT Review Conference, to be held in Geneva in August/September 1985. If Argentina shows interest in publicly strengthening its international non-proliferation commitments, we may wish to encourage it to attend the Review Conference as an observer (it is likely that, as with past Review Conferences, non-parties to the Treaty will be permitted to attend as observers. Argentina was an observer at the Second Review Conference in 1980). However, we would // not wish to make any [✓] move on this until closer to the time of the Review Conference and until we know more of Argentina's views. Argentina can be expected to have an indirect influence, through the neutral and non-aligned group and the // Non-Al [✓]igned Movement, on attitudes among developing country Treaty members at the Conference.

We will keep you informed on relevant domestic and international developments in the field of nuclear policy. We have been pleased with your reporting; as you know we are interested in regular reporting on nuclear developments in Argentina, both on domestic developments and on Argentine attitudes towards international nuclear issues (e.g. IAEA, NPT, Treaty of Tlatelolco, regional nuclear relations and supplied policies).

//
no new
para

* (1)

One positive step Argentina could take would be ratification of the Treaty of Tlatelolco. We could continue to raise this with Argentina against the background of our own commitment to achieving a nuclear-free zone in the South Pacific.

* (2)

In the same context we could make the most of the limited scope for Argentina and Australia to co-operate in the Conference on Disarmament in Geneva. This could help to offset our differences on nuclear issues where Argentina does tend to be extreme and at times difficult.

This ^{cooperation} progress could be in areas other than nuclear issues.

[For example, Australia and Argentina share concerns about chemical warfare and the use of chemical weapons, topics which are likely to assume increased importance this year. We have been encouraged by the attitudes of the USA and the USSR towards a new and verifiable chemical warfare regime and we will be working positively towards a new treaty to replace the 1925 Geneva Protocol on the use of chemical weapons.]

We hope that, in further consultations with the Argentine Government, you will be able to explore nuclear policy issues in some detail. *

① (no new para

* ② new para

We have appreciated your reporting on human rights issues and developments in Argentina, Paraguay and Uruguay throughout the year. We naturally welcomed the dramatic shift in Argentine human rights policy with the advent on the Alfonsin Government and will be watching further developments with great interest. As you will be aware, we would like to respond positively to Argentine approaches to develop dialogue on human rights issues. We could, for example, exchange information on domestic human rights machinery and also on international human rights instruments. Co-operation with Argentina in multilateral forums during 1984/5 could be usefully developed particularly in view of Australia's likely membership of the Security Council in 1984 and our bid for election to the CHR this year.

Your will also be aware of our interest in regional human rights organisations. Argentina's move to become a member of the Inter-American Commission is of relevance in this connection.

We would appreciate your continuing efforts in reporting on individuals whose cases may be of relevance to the newly established Register of Representations on alleged human rights violations.

We expect that the situation in Uruguay will remain of continuing ~~domestic~~ ^{to the Uruguayan Community} concern in Australia ~~and we~~ ^{and to human rights organisations} will follow with interest political developments throughout 1984. Although Paraguay remains of minor concern bilaterally to Australia, we anticipate increased international interest in this country in 1984 in the light of Amnesty International's recent report and campaign.

In view of the steady stream of letters to Mr Hayden about political developments in Uruguay, the human rights

situation and specific human rights cases, we ~~shall need regular reporting as developments occur.~~ ^{shall need regular reporting as developments occur.} ~~need to devote considerable attention to that~~ ^{country} in 1984. We ~~Our interests include~~ ^{Our interests include} shall appreciate regular reporting on prospects for consensus between the Government and the political parties prior to elections, and on key issues and personalities if and when the campaign gets under way.

On Paraguay, we would be interested to have an occasional political round up and ^{anticipate} referring to you a small number of enquiries about human rights cases.

You will be aware that the Third Secretary position in

^{si} Brailia is to be transferred to Buenos Aires. This ~~action~~ ^{provide scope for reporting to be expanded} should ~~ease the strain on the political section of the~~ ^{on the matters of interest identified above.} ~~Embassy.~~ ^{As you know} However from time to time the occupant of the ~~new~~ ^{may} position ~~will~~ be required to provide relief in other South American Posts.

nonew
para

The officer who has been selected should arrive in Buenos Aires in the new financial year, following a period of language training.

I am pleased that it is now confirmed
that the ~~Post Liaison Visit~~ will take place shortly. You
will have received separate advice on the arrangements.
~~I am sorry that we have had to delay the long proposed
Post liaison visit. I shall be in touch shortly about this.~~

In conclusion, may I thank you and your staff for your efforts over the past year.

P G F Henderson

CONFIDENTIAL

ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
APRIL 1983 - FEBRUARY/MARCH 1984

226/9/10

Most of the year was dominated by the lead up to the first elections in ten years, culminating in an upset win for the Radical party led by Raul Alfonsin. The new Government's overriding foreign policy objective is to make Argentina a respected member of the international community. It has acted decisively in the area of human rights, especially on the problem of the disappeared persons. Argentina is seeking to play an active and constructive role in international bodies.

2. Australia welcomed the return to democracy in Argentina and, in turn, the Argentine Government is seeking to develop a more beneficial relationship with us. On 1 February an initial round of bilateral talks was held at the level of Ambassador/Secretary of State for Foreign Affairs and will be followed by a full-scale review of bilateral relations in the near future. For our part we have proposed annual bilateral reviews in addition to the six-monthly reviews already being held in the trade area. At the 1 February meeting we made important representations to the Argentine Government on nuclear and disarmament issues.

3. Clearly, the return to democracy in Argentina presents opportunities for Australia. We have a number of important interests in common with Argentina, and we should extract as much benefit as we can from our relationship. These interests embrace Antarctica, nuclear issues, international agricultural commodities, trade (although small by global standards, Argentina remains Australia's largest market in South America), human rights, immigration (Buenos Aires is the central office for our migration programme in South America), and cooperation in international bodies.

4. As an irritant in our bilateral relationship with Argentina, the Falklands issue is now well behind us. The Argentines would, of course, like to see us vote in favour of the U.N. resolution rather than abstain, but they understand our position. Since the time hostilities ended in June 1982 we have put it to the Argentine side that a resumption of contact and an improvement in the atmosphere could in due course lead to a just agreement on the future of the islands. Some contact is already in prospect but it seems likely that a resumption of full diplomatic relations will not be achieved in the immediate future because of Argentine insistence on the resumption of negotiations on the Falklands. The Mission will of course give this subject a high priority in the period ahead, and continue to look for opportunities to play a helpful role.

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

5. Argentina's nuclear programme remains a source of major concern because in November 1983 Argentina announced that it had successfully enriched uranium through indigenous efforts, thereby completing the nuclear fuel cycle. While the Government has stated that Argentina's nuclear programme will be for peaceful purposes only, Alfonsin has set up a Commission to make recommendations to him on the nature of the future nuclear

.../2

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programme. On 1 February an important demarche was made to the MFA in which we expressed Australia's strong hope that Argentina would place all of its nuclear facilities under fullscope international safeguards and that it would ratify the Treaty of Tlatelolco. This was an important initiative by Australia. Nuclear issues are now a major focus of attention by the Mission and will be given the highest priority during the coming year.

6. In the area of human rights, which absorbed a great deal of our attention, prior to the inauguration of the new Government we advised the then military regime that we could not accept the Junta's report on the disappeared persons nor the controversial amnesty law (both of which were subsequently rejected by the Alfonsin government). Moreover, we made our views on human rights violations well known to the military government. Since assuming office, the Alfonsin Government has acted swiftly to correct human rights abuses, has launched a number of investigations and initiated trials and has introduced measures which will protect human rights. Australia has welcomed this vigorous approach. In the year ahead we would propose to exchange information with the Alfonsin Government on domestic measures for the protection of human rights and we see great opportunities for working with Argentina on human rights in international bodies, especially in the CHR which we hope to rejoin in 1985. This subject will continue to be given a top priority in our work programme.

7. Antarctica continued to be one of the most important areas in our bilateral relationship. Argentina and Australia worked closely together in the group of claimant states at all meetings related to Antarctica including at the XIIth Consultative Meeting in Canberra in September 1983. There was important collaboration on the problem posed by Malaysia's initiative on Antarctica at the United Nations. We have encouraged Argentina to convey to the Secretary-General its views on the form of the study flowing from this initiative. We would envisage a continuation of our active association with the MFA on Antarctic issues.

8. Cooperation in international bodies with Argentina is likely to increase in the period ahead. The fact that we sit next to the Argentine delegation at many meetings should facilitate this collaboration. There is scope for exchanges with the Argentine delegation to the General Assembly, at CHR, on the Disarmament Commission and in specialized agencies.

9. In the information area, the major event was a visit of a TV research team of the ABC which will return next August to produce a segment on Argentina entitled "Portrait of a Country" for its series on Latin America. We have informed the MFA that funds should be available in the overseas media visitors scheme for one Argentine journalist to visit Australia in either 1983/84 or 1984/85.

10. Cultural relations were limited in the past year. We participated in the Jazz Festival with books and records and a lecture was given on Australian jazz. The Argentine/Australian Cultural Institute arranged a number of activities. The Pumas made a highly successful rugby tour of Australia.

.../3

CONFIDENTIAL

CONFIDENTIAL

effort to overcome Argentina's external payments crisis the new government has now limited imports to essentials unobtainable from local sources. The present import regime will remain in force until 30 June 1984 but there seems little likelihood of it being relaxed in the near future. Consequently there is little scope for the opening of new markets for most consumer items. Blockage of payments due to some exporters has also contributed to a general falling-off in interest by Australian firms. Inability to match the credit lines offered by competitors has also contributed to a fall in sales. The inauguration of a new democratic government has meant that almost all key positions in the commercial ministries are now occupied by new officials. A major task in the coming year will therefore be to establish good relationships with a new group of decision-makers and to continue on what is a major task of this post, maintaining a dialogue with Argentine officials in areas of mutual interest. A further task will be to identify new commercial opportunities in areas unaffected by the present restrictions. The new administration has already identified in principle certain key areas for economic development. There is some recognition in Argentina of Australia as a southern hemisphere nation facing similar economic and environmental problems and therefore there may be scope for introducing Australian specialist expertise into this market. Some Australian firms are already promoting the use of their expertise in Argentina.

17. The year was an especially busy one in the area of administration. We have a total staff of 40 including 14 A-based officers. There are three attached sections. We completed a major physical security project in the office which involved extensive structural alterations on all three floors. The library and public reading areas have now been re-modelled. Management of the accounts requires special attention because of the high inflation and constantly changing exchange rates. Important improvements have been made in our communications area where the work load is especially high. Consular activities were relatively slight but we had some difficult cases. Staffing in the political area remains inadequate and is a cause for concern. A one-man political section (plus the Ambassador) is clearly stretching resources to the absolute limit.

INVITATIONS

*We should
now
move
on
this
Caputo*

18. We have already proposed that consideration be given to extending an invitation to either President Alfonsin or Foreign Minister Caputo to visit Australia. In the light of their own commitments this year it is highly unlikely that either could travel before 1985. You have already indicated that an invitation to the Foreign Minister may be forthcoming.

19. Under SOVF it has already been proposed that an invitation be extended to Nobel Peace Prize Winner Perez Esquivel. In view of the fact that he has fallen out of favour with the Alfonsin Government we suggest we sit on the invitation until things settle down. We would, however, like to see it go ahead in due course.

.... /5

CONFIDENTIAL

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We have invited Argentina to participate in the 1988 Bicentennial and have suggested its participation in the tall ships event. We plan to hold the exhibition "A Day in the Life of Australia" during the coming year.

11. The Immigration Section, headed by the Regional Director for South America, has responsibility for Australian immigration activities in all of South America. The number of migrants from Argentina declined unexpectedly in 1983 to 319 persons compared to 655 in 1982 and 419 in 1981. The main causes for the decline are two-fold: first, the large fall in the number of occupations in demand in Australia and secondly a breakdown in the character-checking arrangements, which has caused delays for several months in many cases. Interim measures have now been introduced and it is expected as a result of this that the number of migrants from Argentina will increase in 1984. The number of migrants from Uruguay fell slightly from 105 persons in 1982 to 93 in 1983.

12. Forty seven persons were approved in South America in 1983 under the Latin American Refugee and Special Humanitarian Programme compared with 49 in 1982. Of the 47, 31 were Uruguayans and 7 Argentines. However as a result of recent amendments to the criteria of the Special Humanitarian Programme it can be expected that the number of persons approved will increase in 1984. This increase also results from an increasing awareness by UNHCR, charities working with them, other embassies and human rights groups that Australia is accepting these types of cases.

13. The number of tourists visiting Australia from Argentina and Uruguay remained steady at approximately 500 and 300 respectively. The majority of these tourists travel to Australia to visit relatives.

14. The Mission devoted a good deal of its efforts to reporting on economic issues, especially the problem of the crippling foreign debt, the huge inflation rate and the economic situation generally. We shall continue to watch economic developments closely and report as required.

15. A major task of the post has been to maintain a close association with the Argentine authorities on agricultural commodity matters. It will be recalled that last year we initiated a proposal for regular six monthly meetings between the Embassy and the Secretariat of Foreign Trade to discuss mutual bilateral and multilateral trade issues. The first of these discussions was held in May 1983. The meeting was well received by the Argentine authorities and there were useful exchanges on issues of mutual interest. The schedule for a further meeting was disrupted by the recent change of government but we propose to take up the issue of the resumption of talks with the Ministry in the next few weeks.

16. A consequence of the Falklands war and the economic crisis in Argentina was a drastic reduction in Australian trade with Argentina. In 1982/83 exports totalled \$38.3m compared with \$70.5m in 1981/82, \$55.3m in 1980/81 and \$91.3m in 1979/80. However, some recovery is expected in 1983/84 through the resumption of exports under the existing long-term contract between Aluar of Argentina and Alcoa of Australia Ltd. In an

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URUGUAY

20. Much greater attention was paid to Uruguay during the year because of continuing human rights abuses and the deteriorating political situation. The three authorised political parties withdrew from the dialogue with the military government on the question of the return to democratic government but, as things stand, elections are still set down for November. In August 1983 and again on 6 February 1984 we expressed to the MFA at a high level Australia's serious concern about political developments generally, including the banning of the trade union movement and the poor human rights situation. We also intervened earlier with the MFA on behalf of the Uruguayan Peace and Justice Service whose leader is Perez Esquivel. The Mission has made a steady stream of enquiries to the Uruguayan authorities about individual human rights cases. Positive areas of activity have related to Uruguay's attendance at the XIIth Antarctic Consultative meeting in Canberra and some exchanges with the MFA on Antarctic issues, our invitation to Uruguay to participate in the Tall Ships event at the 1988 Bicentennial, exchanges on international agricultural commodity issues and, from our point of view, migration activity. In the year ahead the Mission will have to devote even more attention to Uruguay in the light of the political situation and the increasing number of human rights abuses.

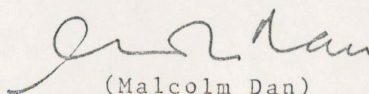
PARAGUAY

21. We had even more restricted contact with Paraguay than usual because of our stretched resources in the political section. We took up with the Paraguayan MFA at the highest level individual human rights cases. A small donation was made to the Paraguayan Red Cross for flood victims. President Stroessner was elected for another term. We will try to monitor the political situation. We anticipate that our main interest in the period ahead will continue to be the human rights situation generally, and individual cases.

THE YEAR AHEAD

22. The year ahead should be a profitable one for our bilateral relationship with Argentina. We will be devoting more of our time to nuclear questions, exchanging information on foreign policy issues and we shall be searching for new areas of co-operation. The only area which may present potential difficulties for us is the Falklands issue, especially if there is no real movement towards a restoration of diplomatic relations between Argentina and Britain and if the Western European countries move to a vote in favour of the U.N. resolution (with Australia adhering to an abstention). During the past year six dispatches were prepared. I regard these as an integral part of the Mission's reporting, and propose to write a number in the forthcoming year.

23. All section heads have been consulted in the preparation of this review.



(Malcolm Dan)

National Archives of Australia

7 February 1984

CONFIDENTIAL

Ambassador

NAA: A1838, 226/9/10 PART 2

FOREIGN AFFAIRS

226/9/10

832/1

FILE No. P113/9/2/1

DATE 28 March 1984

SUBJECT

BUENOS AIRES ANNUAL REVIEW

FOR Mr. Hughes *with 29/3*
Assistant
Secretary
Americas
Branch

*two to [unclear]
PDC*

You may wish to include the following comments in your reply to the Buenos Aires Annual Review.

2. "The Alfonsin Government faces a daunting task in restructuring the economy. It will need to tread a very fine line between the IMF's policy prescription of deflation, devaluation and price reform and political difficulties in selling this to a country which has suffered a decade of economic mismanagement. The question of how effectively the IMF operates in such difficult cases is a matter of great interest to the international community and has serious implications for the future support for the Fund from developing countries. External factors will be an important determinant of economic performance. The recovery in the world economy should benefit Argentina's trade balance and any fall in the value of the US dollar would reduce the external debt which is largely denominated in that currency. However high world interest rates, likely to continue in view of the large US budget deficit, will adversely affect the debt servicing burden. On balance the international economic outlook for the remainder of 1984 provides Argentina with some prospect of stabilising its economy but a return to sustained economic growth appears to be some years' away.

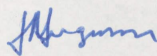
3. We hope you will maintain your high standard of reporting on these issues and will also cover possible cooperation among the Latin American countries on the debt question. We are also interested in longer term perspectives on the possibilities of Latin American countries attaining economic growth under the handicap of their large debt burdens. Our first priority is the re-establishment of quarterly economic reports. These are of use to us providing, as they do, a continuing overview account of the economy and its relationship to the political process and they are widely distributed. At the same time we do not look for a detailed lengthy report. Three or four pages concentrating on the major indicators or events is usually sufficient. It is useful for Departments in Canberra to receive these consolidated reports, including comments over time, as a supplement to ad hoc reporting which, while important,

..2/.

2.

does not always provide the broader perspective. We do not, of course, require, the same extent of reporting on Uruguay and Paraguay, but would appreciate broad overview reports from time to time as occasion permits.

4. The consultative machinery ^{which recently} has ^{been} established ^{should} assist the development of our bilateral commercial relations with Argentina. The immediate prospects for an expansion of bilateral trade will be limited by Argentina's economic problems but a realistic medium term goal may be the restoration of our exports to pre-Falklands war levels."



(J.A. Ferguson)
Assistant Secretary
Economic Relations Branch

FOREIGN AFFAIRS

226/9/10

AUSTRALIAN DEVELOPMENT ASSISTANCE BUREAU

FILE No. 79/2332

DATE 2/3/84

SUBJECT

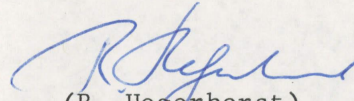
BUENOS AIRES ANNUAL POST REVIEW : ADAB RESPONSE

FOR ASSISTANT
SECRETARY,
AMERICA'S BR.,
DFA

CCCA

The following is the Bureau response
to the 1983 Annual Post Review.

"The Latin American Food Security body
CASAR (a subsidiary body of CELA) is located in
Buenos Aires. A monitoring of the activities of
CASAR by the post would be appreciated. It has
approached us in the past requesting assistance
for food security activities."



(R. Hegerhorst)
Policy Co-ordination Section

FOREIGN AFFAIRS

FILE No. P610/82/1

DATE 1 March 1984

SUBJECT

REPLY TO ANNUAL REVIEW : BUENOS AIRES

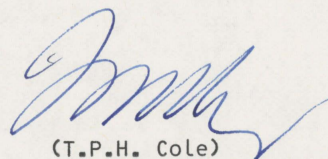
FOR ASSIST. SECRETARY
AMERICA'S BRANCH

cc: A

POG

You might include a paragraph along the following lines in the reply to the Buenos Aires Annual Review.

"You will be aware that the Third Secretary position in Brasilia is to be transferred to Buenos Aires. This action should ease the strain on the political section of the Embassy. However from time to time the occupant of the position will be required to provide relief in other South American Posts. An officer has been selected and should arrive in Buenos Aires in the new financial year, following a period of language training."



(T.P.H. Cole)
Resources Planning & Liaison Unit

FOREIGN AFFAIRS

FILE No. P113/9/2/1

DATE 27 March 1984

SUBJECT

REPLY TO ANNUAL REVIEWS : BUENOS AIRES

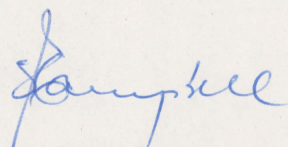
FOR MR. HUGHES

America

cc (A)

You might like to include the following comments on international economic issues in your reply to the Buenos Aires review:

"Argentina continues to play an active role in discussion of international economic issues, a position heightened by Argentina's hosting of the G77 Foreign Ministers' pre-UNCTAD VI meeting in Buenos Aires and the subsequent and continuing discussion of the Buenos Aires Platform and the Declaration adopted at that meeting. While we would expect that exchanges on North/South issues will continue to take place in the various fora, notably UNCTAD, ECOSOC and the Second Committee of the General Assembly, the Post's insights into Argentinean thinking and experience on these issues continue to be valued. It might be noted that the success or otherwise of Argentina's attempts to cope with its current debt problems provides something of a test-case for the view that the existing international trade and finance system can adopt to cope adequately (a view shared by most developed and some developing countries) and the contrary G77 view that evolution must be assisted."



(J.B. Campbell)
Head
UNEA Section

226/9/10

720/6/19

REPLY TO BUENOS AIRES ANNUAL REVIEW

NUCLEAR ISSUES

We were pleased with your first round of consultations with the Minister of State for Foreign Affairs, Mrs Kelly, in so far as her approach suggested that the Argentine Government was interested in considering seriously its position on the issue of nuclear non-proliferation. However, we would judge that it may be some time before Argentina is ready to clarify in detail its nuclear non-proliferation policy. We can understand its apparent wish to consider this issue in the context of its dispute with Britain on the Falkland Islands and its concern about security of supply of nuclear equipment and technology. However, we were disturbed by your report that Argentina may be linking its position on non-proliferation with the issue of the renegotiation of its foreign debt. Any move by Argentina to connect these issues would seem to cast doubt on its seriousness about the priority of non-proliferation.

We will be actively concerned over the next 16 months with preparations for the Third NPT Review Conference, to be held in Geneva in August/September 1985. If Argentina shows interest in publicly strengthening its international non-proliferation commitments, we may wish

.. /2

to encourage it to attend the Review Conference as an observer (it is likely that, as with past Review Conferences, non-parties to the Treaty will be permitted to attend as observers. Argentina was an observer at the Second Review Conference in 1980.) However, we would not wish to make any move on this until closer to the time of the Review Conference and until we know more of Argentina's views. Argentina can be expected to have an indirect influence, through the neutral and non-aligned group and the Non-Aligned Movement, on attitudes among developing country Treaty members at the Conference.

We will keep you informed on relevant domestic and international developments in the field of nuclear policy. We have been pleased with your reporting; as you know, we are interested in regular reporting on nuclear developments in Argentina, both on domestic developments and on Argentine attitudes towards international nuclear issues (e.g. IAEA, NPT, Treaty of Tlatelolco, regional nuclear relations and supplied policies). We hope that, in further consultations with the Argentine Government, you will be able to explore nuclear policy issues in some detail.

Department of Foreign Affairs

WORD PROCESSING REQUEST

(F) 226/9/10

1. A job number will be allocated to your job when first submitted.
2. The number, found at the end of a document, must be quoted when a job is re-submitted for edit or for any queries.
3. When amending DO NOT rearrange text by cut and paste or correcting fluid.

Name <i>P. O'GRADY</i>	Phone <i>2065</i>	Job Number <i>80409</i>
Department/Branch/Section <i>CCLA</i>		Time/Date required <i>ASAP</i>
Job Title (30 characters only) <i>REPLY TO BUENOS AIRES ANNUAL REVIEW</i>		
Job Instructions <input type="checkbox"/> New <input checked="" type="checkbox"/> Edit/Revision <input type="checkbox"/> Correction (no print) <input type="checkbox"/> Reprint Storage <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary-Delete after (date) / / Security Classification <input type="checkbox"/> Unclassified <input type="checkbox"/> Restricted <input checked="" type="checkbox"/> Confidential <input type="checkbox"/> Secret <input type="checkbox"/> Staff-in-Confidence <input type="checkbox"/> Other Classification see Supervisor		Print Instructions <input checked="" type="checkbox"/> Draft <input type="checkbox"/> Final <input type="checkbox"/> Plain <input type="checkbox"/> Letter <input type="checkbox"/> Memo Pack <input type="checkbox"/> Minute <input type="checkbox"/> Ministerial <input type="checkbox"/> Secretary <input type="checkbox"/> Other <input type="checkbox"/> Labels <input type="checkbox"/> Envelopes
Special Instructions		

WP1 (12/83)

National Archives of Australia

NAA: A1838, 226/9/10 PART 2

Department of Foreign Affairs

WORD PROCESSING REQUEST

(F) 226/9/10

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2. The job number, found at the end of a document, must be quoted when a job is re-submitted for edit or for any queries.
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Name <i>P. O'GRADY</i>	Phone <i>2065</i>	Job Number <i>80409</i>
Department/Branch/Section <i>CCLA</i>		Time/Date required <i>ASAP</i>
Job Title (30 characters only) <i>REPLY TO BUENOS AIRES ANNUAL REVIEW</i>		
Job Instructions <input type="checkbox"/> New <input checked="" type="checkbox"/> Edit/Revision <input type="checkbox"/> Correction (no print) <input type="checkbox"/> Reprint		Print Instructions <input checked="" type="checkbox"/> Draft <input type="checkbox"/> Final <input type="checkbox"/> Plain <input type="checkbox"/> Letter <input type="checkbox"/> Memo Pack <input type="checkbox"/> Minute <input type="checkbox"/> Ministerial <input type="checkbox"/> Secretary <input type="checkbox"/> Other <input type="checkbox"/> Labels <input type="checkbox"/> Envelopes
Storage <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary-Delete after (date) / /		
Security Classification <input type="checkbox"/> Unclassified <input type="checkbox"/> Restricted <input checked="" type="checkbox"/> Confidential <input type="checkbox"/> Secret <input type="checkbox"/> Staff-in-Confidence <input type="checkbox"/> Other Classification see Supervisor		
Special Instructions		

WP1 (12/83)

FOREIGN AFFAIRS

226/9/10

FILE No. 1616/1/2/2

DATE 29 February 1984

SUBJECT

ANNUAL REVIEW - BUENOS AIRES

FOR AMERICA'S
BRANCH

cc: A

Please refer to Executive Secretariat Minute 626/11/12 of 23 February 1984 requesting comments on the Annual Review from Buenos Aires.

The Consular and Passports Branch has no comments to offer on this review.

J. McCarthy
(T. McCarthy)
Assistant Secretary
Consular and Passports Branch

ROC

PHONE No. _____

TELEPHONED	<input checked="" type="checkbox"/>	RETURNED YOUR CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	<input type="checkbox"/>	PLEASE CALL	<input type="checkbox"/>
WANTS TO SEE YOU	<input type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>

MESSAGE: ICR HAVE NO
COMMENT ON THE
B.A. 1983 REVIEW
(JOHN POWYS)

DATE _____ TIME _____

RECEIVED BY _____

DRAFT

2038

REPLY TO BUENOS AIRES ANNUAL REVIEW

7/16/19

NUCLEAR ISSUES

226/9/10

We ^{were} are pleased with ^{your} the first round of consultations ~~you held~~ with the Minister of State for Foreign Affairs, Mrs Kelly, in so far as her approach suggested that the Argentine Government ^{was} is interested in considering seriously its position on the issue of nuclear non-proliferation. However, we would judge that it may be some time before Argentina is ready to clarify ^{in detail} its nuclear non-proliferation policy. We can understand its apparent wish to consider this issue in the context of its dispute with Britain on the Falkland Islands and its concern about security of supply of nuclear equipment and technology. However, we were disturbed by your report that Argentina may be linking its position on non-proliferation with the ~~unconnected~~ issue of the renegotiation of its foreign debt. Any move by Argentina to connect these issues would seem to cast doubt on its seriousness about ^{the priority of} non-proliferation.

~~We still hope that, in future consultations, we want you to continue these consultations and we are interested in your advice on how and when best to do this.~~
~~Attitudes on nuclear policy issues.~~

We will be actively concerned over the next 16 months with preparations for the Third NPT Review Conference, to be held in Geneva in August/September 1985. If Argentina shows interest in ^{publicly} strengthening its international non-proliferation commitments, we may wish to encourage it to attend the Review Conference as an observer (it is likely that, as with past Review Conferences, non-parties to the Treaty will be permitted to

attend as observers. Argentina was an observer at the Second Review Conference in 1980.) However, we would not wish to make any move on this until closer to the time of the

Review Conference and until we know more of Argentina's views.

Argentina can be expected to have an indirect influence through the NATA and other forums, on attitudes among developing country Treaty members at the Conference.

We will keep you informed on relevant domestic and

international developments in the field of nuclear policy.

We have been pleased with your reporting; as you know, We are interested in regular reporting on nuclear developments

in Argentina, both on domestic developments and ^{ON} Argentine

attitudes towards international issues nuclear issues (e.g.

IAEA, NPT, Treaty of Tlatelolco, ^{REGIONAL NUCLEAR RELATIONS AND SUPPLIED POLICIES}).

We hope that, in further consultations with the Argentine Government, you will be able

to explore nuclear policy issues in some detail.

Argentina can be expected to have an indirect influence, through the ^{Neutral} ~~and~~ non-aligned ^{group} ~~and neutral~~ neutral group and the Non-Aligned Movement, on attitudes among developing country Treaty members at the Conference.

*Regional nuclear
attitudes*

supplied policies

FOREIGN AFFAIRS
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226/9/10

PG 6
cc: let us try to meet the target date 4/11.23/2

FILE No. 626/11/12

DATE 23-2-84

SUBJECT

REPLY TO ANNUAL REVIEW : BUENOS AIRES

FORMR. HUGHES

ASSISTANT SECRETARY
(AMERICA'S BR)

C.C.:

Mr McCarthy (PA) *no comments*

Mr Loveday (ICE) *phoned*

Mr Percival (ISPP)

Mr HERRON (ALI) *phoned*

Mr TOWNSEND (NP) *phoned*

Mr WALKER (DAC) *phoned*

Mr MOTT (IO) *3644*

Mr FERGUSON (EE) *phoned*

Mr LAVETT (EE) *no comments*

Mr GOSS (EO)

Mr MCQUARTHY (EP) *rec'd*

Mr GLEESON (RPLW)

Mr HARBER (SECOM) 3040

Dr. HYLE (Medical Advisor) 3117 *phoned*

ADAB *rec'd*

Attached is a copy of the Buenos Aires Annual Review for the period April 1983 - February/March 1984.

2. I would be grateful if the Assistant Secretary, America's Branch would prepare a draft reply for the Secretary's signature by 23 March 1984.

3. Information addressees should distribute copies of the Review to other Departments if considered appropriate. In any case they should forward comments on policy issues related to the Review directly to the Branch Head preparing the reply in time to meet the above deadline. Contributions should not be sent to Executive Secretariat.

RPLU should coordinate comments from MFSD and also forward these directly to the action Branch Head.

5. Detailed guidelines on the preparation of replies to Annual Reviews are set out in the Secretary's Administrative Circular No. 91/81 of 20 October 1981.

for *multator*
(D.J. Maurice)
Executive Secretariat

*Plundered
2527*

should be sent to Trade, DTA?

CONFIDENTIAL

CONFIDENTIAL

ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
APRIL 1983 - FEBRUARY/MARCH 1984

Most of the year was dominated by the lead up to the first elections in ten years, culminating in an upset win for the Radical party led by Raul Alfonsin. The new Government's overriding foreign policy objective is to make Argentina a respected member of the international community. It has acted decisively in the area of human rights, especially on the problem of the disappeared persons. Argentina is seeking to play an active and constructive role in international bodies.

2. Australia welcomed the return to democracy in Argentina and, in turn, the Argentine Government is seeking to develop a more beneficial relationship with us. On 1 February an initial round of bilateral talks was held at the level of Ambassador/Secretary of State for Foreign Affairs and will be followed by a full-scale review of bilateral relations in the near future. For our part we have proposed annual bilateral reviews in addition to the six-monthly reviews already being held in the trade area. At the 1 February meeting we made important representations to the Argentine Government on nuclear and disarmament issues.

3. Clearly, the return to democracy in Argentina presents opportunities for Australia. We have a number of important interests in common with Argentina, and we should extract as much benefit as we can from our relationship. These interests embrace Antarctica, nuclear issues, international agricultural commodities, trade (although small by global standards, Argentina remains Australia's largest market in South America), human rights, immigration (Buenos Aires is the central office for our migration programme in South America), and cooperation in international bodies.

4. As an irritant in our bilateral relationship with Argentina, the Falklands issue is now well behind us. The Argentines would, of course, like to see us vote in favour of the U.N. resolution rather than abstain, but they understand our position. Since the time hostilities ended in June 1982 we have put it to the Argentine side that a resumption of contact and an improvement in the atmosphere could in due course lead to a just agreement on the future of the islands. Some contact is already in prospect but it seems likely that a resumption of full diplomatic relations will not be achieved in the immediate future because of Argentine insistence on the resumption of negotiations on the Falklands. The Mission will of course give this subject a high priority in the period ahead, and continue to look for opportunities to play a helpful role.

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

5. Argentina's nuclear programme remains a source of major concern because in November 1983 Argentina announced that it had successfully enriched uranium through indigenous efforts, thereby completing the nuclear fuel cycle. While the Government has stated that Argentina's nuclear programme will be for peaceful purposes only, Alfonsin has set up a Commission to make recommendations to him on the nature of the future nuclear

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CONFIDENTIAL

programme. On 1 February an important demarche was made to the MFA in which we expressed Australia's strong hope that Argentina would place all of its nuclear facilities under fullscope international safeguards and that it would ratify the Treaty of Tlatelolco. This was an important initiative by Australia. Nuclear issues are now a major focus of attention by the Mission and will be given the highest priority during the coming year.

6. In the area of human rights, which absorbed a great deal of our attention, prior to the inauguration of the new Government we advised the then military regime that we could not accept the Junta's report on the disappeared persons nor the controversial amnesty law (both of which were subsequently rejected by the Alfonsin government). Moreover, we made our views on human rights violations well known to the military government. Since assuming office, the Alfonsin Government has acted swiftly to correct human rights abuses, has launched a number of investigations and initiated trials and has introduced measures which will protect human rights. Australia has welcomed this vigorous approach. In the year ahead we would propose to exchange information with the Alfonsin Government on domestic measures for the protection of human rights and we see great opportunities for working with Argentina on human rights in international bodies, especially in the CHR which we hope to rejoin in 1985. This subject will continue to be given a top priority in our work programme.

7. Antarctica continued to be one of the most important areas in our bilateral relationship. Argentina and Australia worked closely together in the group of claimant states at all meetings related to Antarctica including at the XIIth Consultative Meeting in Canberra in September 1983. There was important collaboration on the problem posed by Malaysia's initiative on Antarctica at the United Nations. We have encouraged Argentina to convey to the Secretary-General its views on the form of the study flowing from this initiative. We would envisage a continuation of our active association with the MFA on Antarctic issues.

8. Cooperation in international bodies with Argentina is likely to increase in the period ahead. The fact that we sit next to the Argentine delegation at many meetings should facilitate this collaboration. There is scope for exchanges with the Argentine delegation to the General Assembly, at CHR, on the Disarmament Commission and in specialized agencies.

9. In the information area, the major event was a visit of a TV research team of the ABC which will return next August to produce a segment on Argentina entitled "Portrait of a Country" for its series on Latin America. We have informed the MFA that funds should be available in the overseas media visitors scheme for one Argentine journalist to visit Australia in either 1983/84 or 1984/85.

10. Cultural relations were limited in the past year. We participated in the Jazz Festival with books and records and a lecture was given on Australian jazz. The Argentine/Australian Cultural Institute arranged a number of activities. The Pumas made a highly successful rugby tour of Australia.

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.../3

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4.

Effort to overcome Argentina's external payments crisis the new government has now limited imports to essentials unobtainable from local sources. The present import regime will remain in force until 30 June 1984 but there seems little likelihood of it being relaxed in the near future. Consequently there is little scope for the opening of new markets for most consumer items. Blockage of payments due to some exporters has also contributed to a general falling-off in interest by Australian firms. Inability to match the credit lines offered by competitors has also contributed to a fall in sales. The inauguration of a new democratic government has meant that almost all key positions in the commercial ministries are now occupied by new officials. A major task in the coming year will therefore be to establish good relationships with a new group of decision-makers and to continue on what is a major task of this post, maintaining a dialogue with Argentine officials in areas of mutual interest. A further task will be to identify new commercial opportunities in areas unaffected by the present restrictions. The new administration has already identified in principle certain key areas for economic development. There is some recognition in Argentina of Australia as a southern hemisphere nation facing similar economic and environmental problems and therefore there may be scope for introducing Australian specialist expertise into this market. Some Australian firms are already promoting the use of their expertise in Argentina.

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CONFIDENTIALURUGUAY

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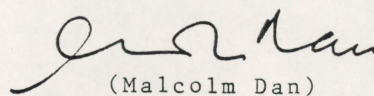
PARAGUAY

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THE YEAR AHEAD

22. The year ahead should be a profitable one for our bilateral relationship with Argentina. We will be devoting more of our time to nuclear questions, exchanging information on foreign policy issues and we shall be searching for new areas of co-operation. The only area which may present potential difficulties for us is the Falklands issue, especially if there is no real movement towards a restoration of diplomatic relations between Argentina and Britain and if the Western European countries move to a vote in favour of the U.N. resolution (with Australia adhering to an abstention). During the past year six dispatches were prepared. I regard these as an integral part of the Mission's reporting, and propose to write a number in the forthcoming year.

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(Malcolm Dan)

Ambassador

7 February 1984

National Archives of Australia

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NAA: A1838, 226/9/10 PART 2

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ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
APRIL 1983 - FEBRUARY/MARCH 1984

226/9/10

Most of the year was dominated by the lead up to the first elections in ten years, culminating in an upset win for the Radical party led by Raul Alfonsin. The new Government's overriding foreign policy objective is to make Argentina a respected member of the international community. It has acted decisively in the area of human rights, especially on the problem of the disappeared persons. Argentina is seeking to play an active and constructive role in international bodies.

2. Australia welcomed the return to democracy in Argentina and, in turn, the Argentine Government is seeking to develop a more beneficial relationship with us. On 1 February an initial round of bilateral talks was held at the level of Ambassador/Secretary of State for Foreign Affairs and will be followed by a full-scale review of bilateral relations in the near future. For our part we have proposed annual bilateral reviews in addition to the six-monthly reviews already being held in the trade area. At the 1 February meeting we made important representations to the Argentine Government on nuclear and disarmament issues.

3. Clearly, the return to democracy in Argentina presents opportunities for Australia. We have a number of important interests in common with Argentina, and we should extract as much benefit as we can from our relationship. These interests embrace Antarctica, nuclear issues, international agricultural commodities, trade (although small by global standards, Argentina remains Australia's largest market in South America), human rights, immigration (Buenos Aires is the central office for our migration programme in South America), and cooperation in international bodies.

4. As an irritant in our bilateral relationship with Argentina, the Falklands issue is now well behind us. The Argentines would, of course, like to see us vote in favour of the U.N. resolution rather than abstain, but they understand our position. Since the time hostilities ended in June 1982 we have put it to the Argentine side that a resumption of contact and an improvement in the atmosphere could in due course lead to a just agreement on the future of the islands. Some contact is already in prospect but it seems likely that a resumption of full diplomatic relations will not be achieved in the immediate future because of Argentine insistence on the resumption of negotiations on the Falklands. The Mission will of course give this subject a high priority in the period ahead, and continue to look for opportunities to play a helpful role.

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

5. Argentina's nuclear programme remains a source of major concern because in November 1983 Argentina announced that it had successfully enriched uranium through indigenous efforts, thereby completing the nuclear fuel cycle. While the Government has stated that Argentina's nuclear programme will be for peaceful purposes only, Alfonsin has set up a Commission to make recommendations to him on the nature of the future nuclear

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programme. On 1 February an important demarche was made to the MFA in which we expressed Australia's strong hope that Argentina would place all of its nuclear facilities under fullscope international safeguards and that it would ratify the Treaty of Tlatelolco. This was an important initiative by Australia. Nuclear issues are now a major focus of attention by the Mission and will be given the highest priority during the coming year.

6. In the area of human rights, which absorbed a great deal of our attention, prior to the inauguration of the new Government we advised the then military regime that we could not accept the Junta's report on the disappeared persons nor the controversial amnesty law (both of which were subsequently rejected by the Alfonsin government). Moreover, we made our views on human rights violations well known to the military government. Since assuming office, the Alfonsin Government has acted swiftly to correct human rights abuses, has launched a number of investigations and initiated trials and has introduced measures which will protect human rights. Australia has welcomed this vigorous approach. In the year ahead we would propose to exchange information with the Alfonsin Government on domestic measures for the protection of human rights and we see great opportunities for working with Argentina on human rights in international bodies, especially in the CHR which we hope to rejoin in 1985. This subject will continue to be given a top priority in our work programme.

7. Antarctica continued to be one of the most important areas in our bilateral relationship. Argentina and Australia worked closely together in the group of claimant states at all meetings related to Antarctica including at the XIIth Consultative Meeting in Canberra in September 1983. There was important collaboration on the problem posed by Malaysia's initiative on Antarctica at the United Nations. We have encouraged Argentina to convey to the Secretary-General its views on the form of the study flowing from this initiative. We would envisage a continuation of our active association with the MFA on Antarctic issues.

8. Cooperation in international bodies with Argentina is likely to increase in the period ahead. The fact that we sit next to the Argentine delegation at many meetings should facilitate this collaboration. There is scope for exchanges with the Argentine delegation to the General Assembly, at CHR, on the Disarmament Commission and in specialized agencies.

9. In the information area, the major event was a visit of a TV research team of the ABC which will return next August to produce a segment on Argentina entitled "Portrait of a Country" for its series on Latin America. We have informed the MFA that funds should be available in the overseas media visitors scheme for one Argentine journalist to visit Australia in either 1983/84 or 1984/85.

10. Cultural relations were limited in the past year. We participated in the Jazz Festival with books and records and a lecture was given on Australian jazz. The Argentine/Australian Cultural Institute arranged a number of activities. The Pumas made a highly successful rugby tour of Australia.

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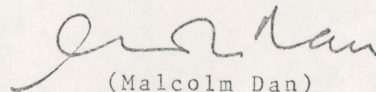
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(Malcolm Dan)

National Archives of Australia

7 February 1984

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Ambassador

NAA A1838, 226/9/10 PART 2

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BUENOS AIRES ANNUAL REVIEW 1983

226/9/10

We have been grateful for your useful reporting on human rights issues and developments in Argentina, Paraguay and Uruguay throughout the year. We naturally welcomed the dramatic shift in Argentina^e~~ian~~ human rights policy with the advent of the Alfonsin Government and will be watching further developments with great interest. As you will be aware, we would like to respond positively to Argentina^e~~ian~~ approaches to develop dialogue on human rights issues. We could, for example, exchange information on domestic human rights machinery and also on international human rights instruments. Co-operation with Argentina in multilateral forums during 1984/5 could be usefully developed particularly in view of Australia's likely membership of the Security Council in 1984 and our bid for election to the CHR this year.

You will also be aware of our interest in regional human rights organisations. Argentina's move to become a member of the Inter-American Commission is of relevance in this connection.

We would appreciate your continuing efforts in reporting on individuals whose cases may be of relevance to the newly established Register of Representations on alleged human rights violations.

We expect that the situation in Uruguay will remain of continuing domestic concern in Australia and we will follow

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With interest political developments throughout 1984.

Although Paraguay remains of minor concern bilaterally to Australia, we anticipate increased international interest in this country in 1984 in the light of Amnesty International's recent report and campaign.

(P.G.F. Henderson)

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AUSTRALIAN EMBASSY
BUENOS AIRES

2 September 1983

226/9/10
Mr Maurice.
W. Stille.
It's urgent
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Dear Jeff,

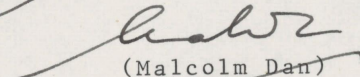
Buenos Aires - Annual Review 1982/83

I sent our last Annual Review under cover of memorandum M.BA3157 of 30 March 1983 incorrectly dated 30 April. This was followed by 2 addendums (M.BA3167 and M.BA3202 of 5 April and 26 April respectively).

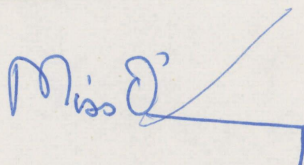
I realise that there is a lot of pressure in the Department but I would appreciate it very much if a reply could be sent to us in the near future.

Best wishes.

Yours sincerely,


(Malcolm Dan)
Ambassador

Mr J.A. Benson,
Assistant Secretary,
Executive Secretariat,
Department of Foreign Affairs,
CANBERRA, A.C.T.

Miss D' 

~~Mr Hughes~~ - to see
We have been waiting
for ~~see~~ contributions
for this and ~~about 4~~
other CCLA review
replies. We are trying
to expedite. B

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ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
MARCH 1981 - MARCH 1982

226/9/10

THE MISSION'S PRIORITIES

There has been an important change in direction in the Mission's work priorities over the past 12 (indeed 24) months. The Mission now focusses heavily (though not exclusively) on Australia's bilateral interests with Argentina. These interests are substantial and, given limited staff resources, our priorities have to be carefully ordered. At the same time we have sought to report on political developments without getting caught up in time-consuming fine detail. I wrote two dispatches in January on the Argentine political scene.

2. Our bilateral interests here are indeed of considerable importance. They include agricultural commodity issues (an enormous and varied field including subjects such as Argentina's trading relationship with the Soviet Union and our common problems with the EEC), Antarctica, nuclear developments, human rights and civil aviation. This Mission is also the centre of Australia's migration programme in South America. During the past year we have reported as required on other important questions of direct concern to Australia, including the Sinai Peacekeeping Force exercise (Argentina was an early 'prospect' and, in the event, Uruguay made a contribution).

3. Argentina is also an important country in its own right: it is a leading member of the Latin American Group and of the Group of 77 and the Non-Aligned Movement. The development of a good bilateral relationship with her can and does lead to helpful results for us in other areas, including the United Nations (where I hope our delegation can work closely with the Argentines) and in respect of Australian candidatures (Argentina has been especially helpful to us in recent times in this respect).

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

4. The single most important event in our bilateral relations during the year was the visit to Argentina in June 1981 by the Deputy Prime Minister and Minister for Trade and Resources, Mr Anthony. The visit strengthened relations at the highest political levels. Mr Anthony discussed with Argentine Ministers common problems with the EEC and explored prospects for increased cooperation over a wide field. It is most important that the momentum created by the visit be maintained. An appropriate next step would be a visit to Argentina by the Minister for Primary Industry. This would, I believe, be welcomed by the Argentine Government. Since Mr Anthony's visit, I have found Ministers and senior officials in the area of trade and agriculture keen to maintain the dialogue.

5. Australia and Argentina share a strong common interest in agricultural commodity issues. Both countries are major world exporters of primary products, in particular grains, meat, wool and fruit. As a consequence, both countries have maintained close contact on international commodity developments. Consultations on these matters constitute a most important aspect of Australia's

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relationship with Argentina. I have already referred to Mr Anthony's visit. As part of the continuing dialogue on the effects of EEC agricultural policies the post was visited by Mr P.H. Barratt, Deputy Secretary, DTR, in April 1981. There was also a visit by a group of Australian specialist trade officials to Argentina in May 1981 and a group of Argentine trade officials visited Australia in October 1981.

6. Argentina continues to be the most important export market for Australia in the Latin American region. In 1980/81 Australia's exports to Argentina totalled \$55.3 m. This however represented a fall of \$36.1 m from the \$91.3 m recorded in the previous year. The main reason for this was the more than 50 per cent reduction in sales of alumina under a long term contract between Alcoa of Australia and Aluar of Argentina. We estimate that total Australian exports in 1981/82 could approach \$100 m. This is based on continuing strong sales of alumina, coking coal and iron and steel products. It is expected that Argentina will import over \$6 m worth of Australian coking coal in 1981/82. (Mr Anthony's visit also allowed discussions with senior Argentine government officials on a wide range of trade and resource matters. During this visit it was decided that Australia would conduct coal utilisation seminars in three South American countries including Argentina. This was held successfully this month.) In the short to medium term the expected developments in Argentina's mining industry should increase prospects for Australian exporters. Australia's trade with Uruguay and Paraguay remains small and is not likely to increase substantially.

7. Cooperation on Antarctic issues continued to be one of the dominant aspects of our bilateral relations. I wrote a dispatch on Argentina's attitude to the Antarctic. Our already close consultation was enhanced as a result of the hosting by Argentina of two major Antarctic conferences: the Preparatory Meeting for the XIth Antarctic Treaty Consultative Meeting in February/March, followed in June/July by the Consultative Meeting itself. We were able to coordinate many important aspects of our policies on the Antarctic Minerals Regime issues, as well as on the first Conference arising from the Convention on Antarctic Marine Living Resources, held in Hobart in September 1981. Further opportunities for consultations are being provided by the forthcoming first meeting of the CAMLR Commission in Hobart, the Wellington Special Consultative Meeting on a minerals regime, and the XIIth ATCM which will be hosted by Australia in 1983.

8. The Mission continued to monitor Argentina's nuclear programme, which has caused concern as Argentina ploughs ahead with its plans to obtain an independent nuclear capability. Argentina wants to be able to produce a peaceful nuclear explosion if it so wishes. It continues to press its opposition to the NPT. While any influence which Australia might wish to exercise over Argentina in this area would be limited, it is sensible for responsible countries like Australia, which oppose nuclear proliferation, to maintain a dialogue with Argentina about its nuclear policies, and particularly its deeply felt aversion to the NPT. I propose to

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call soon on the head of Argentina's nuclear programme to have a general discussion. The Mission will continue to give high priority to this subject.

9. Migration activities continued to be one of the Mission's most important responsibilities. At the beginning of the period under review I sent a dispatch on migration from Argentina and Uruguay to Australia. There are now over 10,000 Argentines and 10,000 Uruguayans living in Australia. After several years of decline, the numbers of migrants from Argentina increased - though they were relatively small - with 419 persons migrating in 1981, compared to 383 in 1980. Interest amongst Argentines increased dramatically from mid-1981, with around 500 personal enquiries a week. Most of these persons however are not eligible to migrate and the Migration Section intends to modify its information programme with the aim of attracting more persons with appropriate skills and professions. Careful account will have to be taken of the sensitivities of the Argentine Government on the issue of emigration. Interest among Uruguayans has continued to decline, with only 159 persons migrating in 1981. The number of tourists visiting Australia from Argentina and Uruguay continued to increase to over 2000 and 300 respectively in 1981, many of them travelling to see relatives. Contact with the Direccion Nacional de Migracion is being established in both Argentina and Uruguay to enable us to keep them informed about our immigration policies and to better monitor their attitudes and concerns about them.

10. In 1981 a new programme for Latin American Refugees in Brazil was expanded to become a Latin America Refugee Programme. To date no new refugees have been approved in South America, but the first case may be approved soon. Most cases will be Uruguayans or Argentines who have crossed into Brazil. We will watch carefully for any adverse reaction by governments to our refugee programme.

11. The Mission continued to monitor Argentina's human rights record, which proved to be less of an issue than in previous years because of the progressive improvement in the human rights situation during 1981. With Australia no longer regarded by the Argentine Government as being in the vanguard of Argentina's international human rights critics, we found a greater receptiveness and willingness to engage in dialogue on the part of the Foreign Ministry and other entities.

12. The Mission developed a useful dialogue with the Foreign Ministry on economic issues including UNCTAD and North/South (and South/South) issues. Issues discussed included the site of UNCTAD VI, the South/South Conference held in New Delhi in February 1982, and the protectionism and structural adjustment question at the UNCTAD TDB24. Given Argentina's active position in the G77, there could be considerable value in further broadening our consultations with the Argentines on North/South issues of interest to Australia. On other economic issues, Argentina is almost self-sufficient in oil and I wrote a dispatch on the oil situation to the end of the century.

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13. Argentina did not carry its earlier proposals for a scientific and technical cooperation agreement any further. In the general area of scientific/technological exchanges however under ADAB sponsorship an Argentine scientist attended an ad hoc course on ticks and tick-borne diseases at the Queensland Institute of Technology, and two engineers travelled to Australia in February to attend a three-month postgraduate course in hydrology at the University of New South Wales. A relatively modest increase in the Mission's annual allocation would be welcome.

14. Another subject highlighted during the Deputy Prime Minister's visit was the importance of the "south polar" air route pioneered by Aerolineas Argentinas between Buenos Aires and Auckland. An agreement was signed between Argentina and New Zealand in 1981. The service has met with an encouraging response from visitors to and from Australia, as the statistics show. An extension of the present Aerolineas Argentinas link through to Australia would not only further improve communications between Australia and Argentina, but from a political viewpoint would benefit bilateral relations.

15. Other Australian visitors during the period included the Deputy Secretary of Administrative Services, the delegations to two Antarctic Conferences held in Buenos Aires, delegates attending the regional information conference, and Sir Lawrence Muir. The Embassy recorded 52 official and private visits in all.

16. The Regional Conference on Cultural and Information Activities held in Buenos Aires in April provided an opportunity to focus on priorities of our cultural and information activities. In our modest but active cultural and information programme priority was given to low-budget (but high quality) activities aimed at effectively reaching the widest possible range of influential people.

17. Looking to the coming year's administrative programme, it is clear that the combination of rising local costs (inflation is running at 150 per cent) and restrictions on funds will impose limits on some of the Mission's activities. Funds available for overtime are inadequate. It is highly desirable that projected work to upgrade the physical security of the reception area, which has been postponed, should go ahead now. We also need to complete security arrangements for the other two floors of the office at the first opportunity. Sufficient funds should be provided to remedy the dilapidated appearance of the office. Work required to bring the Official Residence up to standard was substantially completed during 1981/82 but further funds are needed to complete the renovation. A considerable amount of time and effort was involved in the search for and purchase of two apartments for Embassy staff. The acquisition of these properties should result in significant savings to the Australian Government over coming years. There is a strong case for the purchase of further properties, especially since Buenos Aires is likely to remain a buyers' market for another 12 months.

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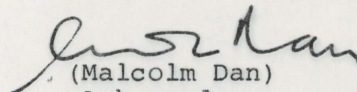
URUGUAY AND PARAGUAY

18. There was little change in our relations with these two countries during the year. Our principal interests in Uruguay continue to be in the areas of trade and immigration and, on the negative side, monitoring the human rights situation. This latter activity was carried out mainly by consultations with the office of the International Committee of the Red Cross in Buenos Aires and with resident missions and other contacts during visits to Montevideo by the Ambassador and the First Secretary. Because of our staffing resources, political reporting was limited to the most significant developments. We will continue to give as close attention as possible to the current period of political transition which was ushered in with President Alvarez' assumption of office on 1 September 1981. His declared aim is to return the country to a system of representational democracy by 1984. Uruguay's status as an Antarctic Treaty Contracting Party gave rise to a modest exchange on Antarctic Treaty issues. Relations with Paraguay remained limited, and this was reflected in our reporting. We will continue to cover major developments.

THE YEAR AHEAD

19. In the forthcoming year it is my intention that the Mission should continue to focus primarily on bilateral issues while keeping up-to-date with broad political developments. I am very conscious of the staffing restraints imposed on Departments in Canberra and, while I could make excellent use of a Third Secretary (we lost this position just before I arrived here two years ago), I propose to make do with the slim staffing resources that we have. It needs to be remembered, though, that in an Embassy totalling 44 officers (including local staff) there is only one FAO.

20. All section heads have been consulted in the preparation of this review.


(Malcolm Dan)
Ambassador

29 March, 1982.

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ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
MARCH 1981 - MARCH 1982

THE MISSION'S PRIORITIES

There has been an important change in direction in the Mission's work priorities over the past 12 (indeed 24) months. The Mission now focusses heavily (though not exclusively) on Australia's bilateral interests with Argentina. These interests are substantial and, given limited staff resources, our priorities have to be carefully ordered. At the same time we have sought to report on political developments without getting caught up in time-consuming fine detail. I wrote two dispatches in January on the Argentine political scene.

2. Our bilateral interests here are indeed of considerable importance. They include agricultural commodity issues (an enormous and varied field including subjects such as Argentina's trading relationship with the Soviet Union and our common problems with the EEC), Antarctica, nuclear developments, human rights and civil aviation. This Mission is also the centre of Australia's migration programme in South America. During the past year we have reported as required on other important questions of direct concern to Australia, including the Sinai Peacekeeping Force exercise (Argentina was an early 'prospect' and, in the event, Uruguay made a contribution).

3. Argentina is also an important country in its own right: it is a leading member of the Latin American Group and of the Group of 77 and the Non-Aligned Movement. The development of a good bilateral relationship with her can and does lead to helpful results for us in other areas, including the United Nations (where I hope our delegation can work closely with the Argentines) and in respect of Australian candidatures (Argentina has been especially helpful to us in recent times in this respect).

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

4. The single most important event in our bilateral relations during the year was the visit to Argentina in June 1981 by the Deputy Prime Minister and Minister for Trade and Resources, Mr Anthony. The visit strengthened relations at the highest political levels. Mr Anthony discussed with Argentine Ministers common problems with the EEC and explored prospects for increased cooperation over a wide field. It is most important that the momentum created by the visit be maintained. An appropriate next step would be a visit to Argentina by the Minister for Primary Industry. This would, I believe, be welcomed by the Argentine Government. Since Mr Anthony's visit, I have found Ministers and senior officials in the area of trade and agriculture keen to maintain the dialogue.

5. Australia and Argentina share a strong common interest in agricultural commodity issues. Both countries are major world exporters of primary products, in particular grains, meat, wool and fruit. As a consequence, both countries have maintained close contact on international commodity developments. Consultations on these matters constitute a most important aspect of Australia's

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relationship with Argentina. I have already referred to Mr Anthony's visit. As part of the continuing dialogue on the effects of EEC agricultural policies the post was visited by Mr P.H. Barratt, Deputy Secretary, DTR, in April 1981. There was also a visit by a group of Australian specialist trade officials to Argentina in May 1981, and a group of Argentine trade officials visited Australia in October 1981.

6. Argentina continues to be the most important export market for Australia in the Latin American region. In 1980/81 Australia's exports to Argentina totalled \$55.3 m. This however represented a fall of \$36.1 m from the \$91.3 m recorded in the previous year. The main reason for this was the more than 50 per cent reduction in sales of alumina under a long term contract between Alcoa of Australia and Aluar of Argentina. We estimate that total Australian exports in 1981/82 could approach \$100 m. This is based on continuing strong sales of alumina, coking coal and iron and steel products. It is expected that Argentina will import over \$6 m worth of Australian coking coal in 1981/82. (Mr Anthony's visit also allowed discussions with senior Argentine government officials on a wide range of trade and resource matters. During this visit it was decided that Australia would conduct coal utilisation seminars in three South American countries including Argentina. This was held successfully this month.) In the short to medium term the expected developments in Argentina's mining industry should increase prospects for Australian exporters. Australia's trade with Uruguay and Paraguay remains small and is not likely to increase substantially.

7. Cooperation on Antarctic issues continued to be one of the dominant aspects of our bilateral relations. I wrote a dispatch on Argentina's attitude to the Antarctic. Our already close consultation was enhanced as a result of the hosting by Argentina of two major Antarctic conferences: the Preparatory Meeting for the XIth Antarctic Treaty Consultative Meeting in February/March, followed in June/July by the Consultative Meeting itself. We were able to coordinate many important aspects of our policies on the Antarctic Minerals Regime issues, as well as on the first Conference arising from the Convention on Antarctic Marine Living Resources, held in Hobart in September 1981. Further opportunities for consultations are being provided by the forthcoming first meeting of the CAMLR Commission in Hobart, the Wellington Special Consultative Meeting on a minerals regime, and the XIIth ATCM which will be hosted by Australia in 1983.

8. The Mission continued to monitor Argentina's nuclear programme, which has caused concern as Argentina ploughs ahead with its plans to obtain an independent nuclear capability. Argentina wants to be able to produce a peaceful nuclear explosion if it so wishes. It continues to press its opposition to the NPT. While any influence which Australia might wish to exercise over Argentina in this area would be limited, it is sensible for responsible countries like Australia, which oppose nuclear proliferation, to maintain a dialogue with Argentina about its nuclear policies, and particularly its deeply felt aversion to the NPT. I propose to

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call soon on the head of Argentina's nuclear programme to have a general discussion. The Mission will continue to give high priority to this subject.

9. Migration activities continued to be one of the Mission's most important responsibilities. At the beginning of the period under review I sent a dispatch on migration from Argentina and Uruguay to Australia. There are now over 10,000 Argentines and 10,000 Uruguayans living in Australia. After several years of decline, the numbers of migrants from Argentina increased - though they were relatively small - with 419 persons migrating in 1981, compared to 383 in 1980. Interest amongst Argentines increased dramatically from mid-1981, with around 500 personal enquiries a week. Most of these persons however are not eligible to migrate and the Migration Section intends to modify its information programme with the aim of attracting more persons with appropriate skills and professions. Careful account will have to be taken of the sensitivities of the Argentine Government on the issue of emigration. Interest among Uruguayans has continued to decline, with only 159 persons migrating in 1981. The number of tourists visiting Australia from Argentina and Uruguay continued to increase to over 2000 and 300 respectively in 1981, many of them travelling to see relatives. Contact with the Direccion Nacional de Migracion is being established in both Argentina and Uruguay to enable us to keep them informed about our immigration policies and to better monitor their attitudes and concerns about them.

10. In 1981 a new programme for Latin American Refugees in Brazil was expanded to become a Latin America Refugee Programme. To date no new refugees have been approved in South America, but the first case may be approved soon. Most cases will be Uruguayans or Argentines who have crossed into Brazil. We will watch carefully for any adverse reaction by governments to our refugee programme.

11. The Mission continued to monitor Argentina's human rights record, which proved to be less of an issue than in previous years because of the progressive improvement in the human rights situation during 1981. With Australia no longer regarded by the Argentine Government as being in the vanguard of Argentina's international human rights critics, we found a greater receptiveness and willingness to engage in dialogue on the part of the Foreign Ministry and other entities.

12. The Mission developed a useful dialogue with the Foreign Ministry on economic issues including UNCTAD and North/South (and South/South) issues. Issues discussed included the site of UNCTAD VI, the South/South Conference held in New Delhi in February 1982, and the protectionism and structural adjustment question at the UNCTAD TDB24. Given Argentina's active position in the G77, there could be considerable value in further broadening our consultations with the Argentines on North/South issues of interest to Australia. On other economic issues, Argentina is almost self-sufficient in oil and I wrote a dispatch on the oil situation to the end of the century.

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13. Argentina did not carry its earlier proposals for a scientific and technical cooperation agreement any further. In the general area of scientific/technological exchanges however under ADAB sponsorship an Argentine scientist attended an ad hoc course on ticks and tick-borne diseases at the Queensland Institute of Technology, and two engineers travelled to Australia in February to attend a three-month postgraduate course in hydrology at the University of New South Wales. A relatively modest increase in the Mission's annual allocation would be welcome.

14. Another subject highlighted during the Deputy Prime Minister's visit was the importance of the "south polar" air route pioneered by Aerolineas Argentinas between Buenos Aires and Auckland. An agreement was signed between Argentina and New Zealand in 1981. The service has met with an encouraging response from visitors to and from Australia, as the statistics show. An extension of the present Aerolineas Argentinas link through to Australia would not only further improve communications between Australia and Argentina, but from a political viewpoint would benefit bilateral relations.

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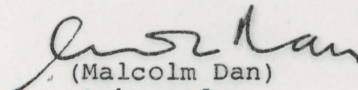
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20. All section heads have been consulted in the preparation of this review.


(Malcolm Dan)
Ambassador

29 March, 1982.

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→ CCLA Section 18
For File
CONFIDENTIAL

226/9/10

29 March 1982

Thank you for your annual review of Australia's relations with Argentina, Uruguay and Paraguay for the period from March 1980 to March 1981. The review has been read with interest in this and other departments. The long delay in replying to you is much regretted, although I understand the preparation of the reply was discussed with you during your recent consultations in the Department.

Your reporting of political developments in the three countries for which you have responsibility has satisfactorily met the Department's needs. Your recent dispatches on internal politics in Argentina have been useful and much appreciated. We have noted with interest your views on Argentina's relations with its neighbours and the major powers and its stand on broader international issues and would welcome further reporting here. Please continue to watch the Beagle Channel dispute and Argentinian relations with Chile generally. There are signs that the Falkland Island dispute is going on to the boil again and you will need to watch this carefully, not only because of the substance of the issue but because it is a new potential refugee situation, albeit a small one.

We are conscious of the pressures to which the Embassy has been subject from time to time because of Argentine efforts to dissuade us from supporting criticism in United Nations bodies of the Argentine performance on human rights. Such efforts are an inevitable concomitant of Australia's commitment to international activity to protect human rights. It will always be a matter for judgement whether short-term costs in terms of bilateral relations outweigh the advances which we seek in the strengthening of international human rights practices and procedures. Our assessment remains that we would compromise to an unacceptable degree Australian interests in the international human rights sphere if we were not to join in seeking to draw international attention to the human rights situation in Argentina, which has been widely recognised as one of the more distressing in the world in recent years.

The interest we share with Argentina in Antarctic matters is considerable. As Antarctic Treaty Consultative Parties, both countries have a range of common interests in the Antarctic - scientific, environmental, and geo-political. As claimant states, we will have some common objectives with Argentina in the forthcoming minerals regime negotiations which will involve close consultation and coordination among claimant states. We would welcome up-to-date reports on the development of Argentina's thinking about a minerals regime as well as about its approach to sovereignty and the difficult problem of over-

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lapping claims. The implementation of the Antarctic Marine Living Resources Convention is also a matter of concern to us and we would like to be kept up to date on Argentina's views about the establishment of the AMLR Commission in Hobart and the role which it hopes to play in the organisation.

The Embassy's reporting on Law of the Sea matters has been timely and helpful and we would like you to keep this up. The same applies to your work on nuclear issues. You are aware of the importance of the Nuclear Non-Proliferation Treaty (NPT) as one of the cornerstones of our nuclear non-proliferation and safeguards policies. Recognising that Argentina is implacably opposed to the NPT, we consider that, as a first step, it should be urged to bring into force the Treaty of Tlatelolco, which represents a regional initiative providing for a nuclear-weapon-free zone in Latin America and to which Argentina is a signatory. Together with the full-scope IAEA safeguards regime required by the Tlatelolco Treaty, such a step would provide a significant non-proliferation commitment from Argentina. We doubt, however, that it is prepared to take such a step. Argentine attitudes will be very significant in sustaining our non-proliferation objectives.

On the economic front, our shared interests with Argentina in regard to international commodity trade issues represent the substance of the economic relationship given that bilateral trade is still at a low level. We believe that these shared interests will continue and that the next development may be a joint Australian-Argentine approach to the EC on beef. The visits by Mr Anthony and senior Department of Trade and Resources officials reflect greater Australian appreciation of shared interests with Argentina and a greater readiness to explore the benefits which may be derived from them. Departmentally, however, we have some reservations about the effectiveness of collaboration of this kind and will welcome your continuing assessments. On the bilateral trade front, we note that there are some prospects for sales of coal and a number of manufactured products to Argentina.

Your reports on the Argentine economy have been welcome, particularly given your limited manpower resources. The obvious problem in the economy remains the level of inflation which, while perhaps a little lower than in the past, is still extraordinarily high by world standards. Such levels of inflation must have a cumulatively deleterious effect on Argentina's overall competitiveness, as you have noted. We have also been interested, in the general context of the partial grains embargo against the USSR which has now been lifted, to note the growing importance to Argentina of the USSR grain market. We would like to have further reports about Argentina's economic relations with the USSR and its growing dependence on this market.

With regard to your reporting responsibilities for Uruguay, your effort in covering the November 1980 plebiscite was appreciated. The trend to liberalisation was encouraging. Please keep us informed about Uruguay and Paraguay to the extent that your resources allow.

We will keep your interest in reinstating the FA01 position in the mission in mind when we are reviewing our overseas establishment in view of the fairly heavy load that you are carrying. We do not, however, foresee much prospect that we can find a position for Buenos Aires while the tight staffing situation continues throughout the Department.

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The Department has had long and detailed correspondence with you about the October 1980 inspection and I will not go into the matter further, except to emphasise that Buenos Aires, because of the high inflation rate, does receive special consideration in the allowance fixing process in that the Public Service Board has agreed not to reduce allowances because of exchange rate variations. At the same time, the Board is prepared to increase allowances on the basis of the Abridged Prices Questionnaire should there be a demonstrated shortfall.

In conclusion, may I thank you and your staff for your continuing efforts.

(P.G.F. Henderson)

H.E. Mr M.J. Dan,
Ambassador,
Australian Embassy,
BUENOS AIRES

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FOREIGN AFFAIRS

F.226/9/10

FILE No.

1634/101

DATE

27/3/82

SUBJECT

Reply to Annual Review

FOR

Mr Smith

Suggest reply to
Argentine Annual Review
I will clear it with the desk
PWS

M. - Oliver - Pls discuss.

WPS
25/3

FOREIGN AFFAIRS

FILE No.

626/11/12

DATE

25 February '82

SUBJECT DRAFT REPLY TO B.A Annual Review.

FOR.....

Immigrant.

You asked yesterday for
a copy of BA Annual Review.

Attached is the section from
the review relating to Migration
matters.

Ambraves.

Executive Secret

3821

MIGRATION ACTIVITIES

32. During 1980 the area of responsibility of the Chief Migration Officer, Buenos Aires was increased to encompass all countries in South America. Prior to 1 July, 1980 this post was responsible for migrant entry work involving applicants from Argentina, Uruguay, Paraguay and Brazil. However, following a visit by two senior Departmental officers in March 1980, the position of Chief Migration Officer Santiago was abolished and that post was reduced to one Australia-based officer plus five locally-engaged staff to deal with applications in Chile only. Responsibility for migrant entry policy in the Andean countries, formerly administered by Santiago, was then transferred to Buenos Aires and the position of Chief Migration Officer was upgraded to that of Regional Director. Santiago is now semi-autonomous but is answerable to Buenos Aires on policy matters. The present staff in the migration section comprises the Regional Director, two Migration Officers, a Medical Director, one Liaison Officer and a Senior Technical Adviser, whose work is mainly associated with the selection of skilled metal and electrical tradesmen. In addition there are 9 locally-engaged staff.

Migrant Entry

33. There is still a high level of interest in migration to Australia from applicants living in Argentina and Uruguay. The interest is much less in Paraguay which is visited only occasionally by migration staff. Frequent visits are made to Montevideo, the capital of Uruguay, and to provincial cities in Argentina such as Rosario, Cordoba and Mendoza. The following statistics give a general indication of the level of migration activities during 1980:

First Enquiries	10,633
Applications received (persons)	5,504
Applicants interviewed (persons)	1,021
Applications approved (persons)	750
Visas issued	839
Departures	796

34. Australia still has a continuing and unsatisfied demand for skilled workers, particularly those in the metal and electrical trades. In fact, the Numerical Multifactor Assessment procedure (NUMAS) places great emphasis on the possession of trade skills and the demand for such skills in Australia as conditions for approval. Unfortunately, due to our high selection standards, and the fact that technical training in the countries covered by this post is generally of a standard lower than Australia, the rejection rate for persons seeking entry as skilled workers is fairly high.

Air Transport for Migrants

35. One continuing problem here confronting approved migrants is the lack of a direct air service between any of the countries of South America and Australia. As mentioned in Annual Review 1979, only one air service provided by LAN Chile operates across the South Pacific to Nadi where passengers are interlined to other flights proceeding to Australia. The fare on this route was reasonably attractive as passengers could take advantage of an APEX type fare approved by the Governments of Chile and Fiji, and combine this with another excursion type fare between Nadi and Australian airports. Unfortunately the LAN Chile service to Nadi will be discontinued as from 31 March 1981 and the alternative will be on LAN Chile flights from Santiago to Papeete, interlining there to either UTA French airlines or Air New Zealand. There is no special fare on this route.

36. During 1980, however, QANTAS and BRANIFF International came to an arrangement approved by the Australian Government which provides a special fare for migrants travelling by BRANIFF from Buenos Aires to Los Angeles or San Francisco, thence on QANTAS flights to Australia. This new facility parallels one operated by Canadian Pacific Airlines which has operated for some years. Migrants from this part of the world may fly to Vancouver and from there proceed to Australia on the Canadian airline's weekly flight to Sydney. The BRANIFF QANTAS fare is exactly the same as that charged by Canadian Pacific.

Temporary Entry

37. There was a significant increase in the number of persons seeking and being approved for temporary entry. These include visitors, businessmen, and students. Total visas issued for 1980 were 1746, compared with 1333 in 1979, and 1052 in 1978. The level of visitor visa applications is still relatively high and it is expected that in 1981 about 2000 persons will be approved for temporary entry.

38. In Annual Review 1979 the problem of the overstayed visitor was mentioned and at that time the overstayed rate from Uruguay was 13% and from Argentina 7%. The figure for all countries at that time was 3%. It is pleasing to record that there has been an improvement to these figures which from Uruguay and Argentina are now 4% and 2% respectively. These are in line with the international average. The improvement has been due to the adoption of more thorough procedures to identify the bona fide cases from those who genuinely intend a short term visit and abide by the conditions of entry.

INFORMATION ACTIVITIES

39. A new system of monthly Spanish newsletters has been established with a select targetted audience. Information requests from Argentine provincial authorities have received a quick and efficient response from the Department. The Ambassador's wife and the First Secretary participated in two radio interviews during the year. Coverage of Australia in magazines and newspapers has increased. The Ambassador's wife gave two interviews to the press ("La Prensa" and "Participar") and the Ambassador and his wife appeared on T.V. as members of the "Miss Argentina" judging panel. The Ambassador's provincial tours received wide publicity in the provincial press. Information activities in Paraguay and Uruguay have been limited.

CULTURAL ACTIVITIES

40. The major success for the year was the Australian Film Week in April/May when 7 Australian films were shown in Buenos Aires. Following the success of the festival the films went on commercial provincial circuits in Argentina. The films on the 16 mm Film circuit - "Sunday Too Far Away" and "Caddie" - were shown to selected audiences. "Caddie" had been released here commercially some years ago.

41. The Aboriginal Arts exhibition had a very successful month-long display in downtown Buenos Aires in May. Assistance was provided by the Museum of Oriental Art. It was also sent to two major provincial cities, Rosario and Mar del Plata. This exhibition has been a major boost to our cultural programme and stimulated much interest in Australia. This year has been an active one for the Argentine/Australian Cultural Institute some of whose activities we support. A locally-engaged Embassy officer provides liaison assistance where required.

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DRAFT REPLY TO BUENOS AIRES ANNUAL REVIEW

Your annual review of Australia's relations with Argentina, Uruguay and Paraguay for the period March 1980 - March 1981 has been read with interest by relevant sections of this and other Departments. *I am sorry for the delay in replying to you, the reasons for which you are already aware about.*

Your monitoring of political development has been good, and reporting has been frequent enough to enable us to follow developments adequately. *Your recent dispatches on internal affairs politics in Argentina were useful and much appreciated.* We have been interested in your views on Argentina's foreign relations (with its neighbours, the super powers and on broader international issues), and would appreciate continued reporting on these matters. Continued monitoring of the Beagle Channel dispute and relations with Chile will be particularly important. Your particular effort in catering the November 1980 *plebiscite* in Uruguay was appreciated and we were pleased to learn of the substantially liberal manner in which it was conducted.

① take in

We are conscious of the pressure under which the Embassy has been placed from time to time as a result of Argentine efforts to dissuade us from supporting criticism in UN forums of the Argentine performance on human rights. Such efforts are to some extent an inevitable concomitant of the Government's commitment to international activity to protect human rights, and it will always be a matter for judgement as to whether short-term bilateral costs outweigh the advances we seek in the strengthening of international human rights norms and procedures. We appreciate that in certain circumstances

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The Department has had long and detailed correspondence with you about the October 1980 inspection and *we* see little point in pursuing the matter here save to observe that Buenos Aires, because of the high inflation rate, receives special consideration in the allowance fixing process in that the Public Service Board has agreed not to reduce allowances because of exchange rate variations. At the same time, the Board is prepared to increase allowances on the basis of the Abridged Prices Questionnaire should there be a demonstrated shortfall.

While the difficulty of inter-office communications is appreciated, there is little likelihood of any proposal being approved to either purchase the present Chancery or to obtain alternative premises. You may wish to make exploratory enquiries on the option available, but you should bear in mind the difficulties of convincing the regulatory authorities of the need to move without a very strong supporting case, including the proviso that any additional expenditure involved would need to be considered unavoidable and inescapable.

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objectives in the forthcoming minerals regime negotiations. The importance of maintaining claimant bloc solidarity was amply demonstrated at the Eleventh Consultative Meeting in Buenos Aires 1981 when claimants successfully negotiated changes to the Recommendation XI-I. These common interests in the minerals negotiations will involve close consultation and co-ordination among claimant states and the Embassy could usefully report on the development of Argentine thinking on a regime as well as continuing reporting on the Argentine approach to sovereignty and the vexed problem of overlapping claims.

In addition, the AMLR Convention and its implementation will be of continuing importance to us and we would appreciate reporting on Argentina's views on the establishment of the AMLR Commission in Hobart and the role Argentina hopes to play in it.

In the longer term, Argentina could be of value to us as a window to G.77 thinking on Antarctica, since it and Chile are the only Consultative Parties with access to G.77 forums. This may become more important if G.77 interest in Antarctica increases, and its resources should not be the exclusive reserve of Consultative Party countries.

In your review, you suggest a greater exchange of information on Antarctic matters. In accordance with Article

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international criticism may be of no help and may even be argued to set back efforts at the national level to restore human rights. On the other hand, to permit ourselves to be easily dissuaded from addressing situations of violations of human rights and fostering effective international human rights standards would quickly make a nonsense of the Government's stated commitment to this objective. We are much the less susceptible to the bilateral protests of governments when, as in the Argentine case, such protests verge upon deliberate misrepresentation of Australia's ^{actions} ~~nations~~ in multilateral forums.

In essence

~~As you mentioned in your review~~ there is a tension between the significance we attach for several reasons to the promotion of effective international human rights standards, and the interest we have in maintaining cordial relations and good channels of communication with governments on a bilateral basis. In relation to Argentina, our assessment remains that not to join in seeking international attention to the human rights situation there, which has been widely recognised as one of the more distressing on a world-wide basis in recent years, would compromise to an unacceptable degree our interests in the international human rights debate. ←

The relationship with Argentina on Antarctic matters is certainly an important one. As Antarctic Treaty Consultative Parties, both countries have a range of common Antarctic interests; scientific, environmental, and geopolitical. As claimant states they will share common

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III of the Antarctic Treaty scientific information is freely exchanged between Consultative Parties and there are few other activities (except in the context of Antarctic meetings) about which we would exchange information.

The Embassy's reporting on Law of the Sea has been timely and helpful and should be maintained.

We have found the Mission's reporting on nuclear issues useful and would like it to continue at the present level. The Nuclear Non-Proliferation Treaty (NPT) is one of the four cornerstones of Australia's nuclear safeguards policy and we would like to see universal adherence to it. We recognise, however, Argentina's strong opposition to the NPT. We therefore consider that, as a first step, Argentina should be urged to bring into force the Treaty of Tlatelolco, which is the regional initiative providing for a nuclear-weapon-free zone in Latin America, and to which Argentina is a signatory. Together with the full-scope IAEA safeguards agreement required by the Tlatelolco Treaty, this would provide a non-proliferation commitment from Argentina not much less than that undertaken by NPT parties.

On the economic front, our shared interests with Argentina on international commodity trade issues are the major substance of the economic relationship, as bilateral trade is still at a low level. However, we note the prospects for sales of coal to Argentina and for a number of manufactured products.

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There has been, as you note, much co-operation with Argentina on international commodity matters, particularly in the GATT, where Argentina has been among the Latin American countries supporting our case against EC sugar export subsidies. We believe that these shared interests will continue and that the next development may be a joint Australian/Argentina approach to the EC on beef. We agree that the Zorreguieta visit was useful in exploring these interests, although we note that Zorreguieta has now left office. However, the visit by Deputy Secretary Barratt of the Department of Trade and Resources and the ~~recent~~ ^{last year} visit by Mr Anthony are evidence of a greater Australian appreciation of our common interests with Argentina and a greater willingness to explore the benefits which may be derived from them.

While recognising your very real manpower constraints, we welcome your reports on the Argentine economy. A major - and obvious - problem in the Argentine economy seems to be the level of inflation which, while perhaps lower than previous levels, is still extraordinarily high by world standards. Such continuing levels of inflation must have a ^{cumulatively} ~~cumultively~~ very deleterious effect on Argentina's overall competitiveness, as your reports have noted. The declining level of overseas reserves as well as the strong growth in imports clearly dictated the necessity for the devaluations in February and April which, presumably, have been sufficient to bring the peso down to its true level. The effects on inflation of the

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devaluations, however, must be a very worrying factor for Argentina's new team of economic planners, despite the measures in April to limit these effects.

We have been interested in the general context of the now ended partial grains embargo against the USSR to note the growing importance to Argentina of the USSR market. For example, although the wool industry has declined you have reported (M.BA 2086) that the USSR receives over 50% of Argentina's wool exports. Argentina's decision not to participate in the partial grains embargo presumably provided a favourable atmosphere for exports in the areas apart from grains, e.g. the 5-year agreement on beef (your O.BA 12582). As noted in our M.CH 101134, we would be interested in further reports on Argentina's economic relations with (and, presumably, growing economic dependence on) the USSR.

On civil aviation matters, we note that Argentina sought consultations with us on the possibility of establishing a direct polar air link between Argentina and Australia. The Australian Government's consistent policy has been that air services should not be concluded with another country where there is insufficient end-to-end traffic to guarantee economic operations. If at some future stage, however, traffic growth suggests that economic air services between Australia and Argentina (or any other appropriate Latin American country) could be viable, the Government would give sympathetic consideration to the establishment of a direct air link between our two continents.

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In your review, you referred to the proposal made in 1980 by Argentina for an agreement on co-operation in science and technology. This was considered late that year, along with several other similar requests, at an ad-hoc interdepartmental meeting. The prevailing view was that commitment to a formal agreement should not be made until adequate funds for operation had been assured. Department of Science and Technology is seeking funds for bilateral exchanges on an opportunistic basis, and not tied to any particular country. In successful, this could make a modest beginning in several countries which, like Argentina, want more contacts, but do not yet qualify for an ^{Science Technology} ~~and~~ agreement of their own.

The post is to be congratulated for its handling of both Mr Hayden's visit in 1980, and the visit by Mr Anthony in 1981. We hope that the latter visit also proved of benefit to the post and that provided an especially useful boost to bilateral relations.

On the question of staffing we appreciate your understanding of the present staffing difficulties facing the Department and will keep your interest in reinstating the FA01 position in the mission in mind when we are reviewing our overseas establishment. We do not, however, foresee much prospect of being able to find a position for you while the tight staffing situation continues.

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Mr M. Hughes ~~CCCA~~
(AM)

FOREIGN AFFAIRS

RESTRICTED

CAB

INFORMATION.

CENTRAL REGISTRY

DATE. 26 April 1983

FIN REPLY
QUOTE

M. BA3202

REGISTRY
CODE

F. 226/9/10

MAY 2 3 30PM '83 CANBERRA

REF. M. BA3157

TO FILE. 626/11/12

INWARDS

FM. BUENOS AIRES

CLASSIFICATION. RESTRICTED

FM. FILE. 251/9/13

POST
SEQUENCE
NUMBER

2238

SUBJECT. ANNUAL REVIEW OF AUSTRALIA'S RELATIONS WITH ARGENTINA,
APRIL 1982 TO MARCH 1983 - ADDENDUM

It was stated in the Annual Review that relations with Argentina had been helped by our abstention on the Falklands resolution at UNGA 37. We had intended to add that Argentina was particularly appreciative of the fact that in our explanation of vote we had recognised that in the longer term a resumption of contact between Argentina and Britain in order to find a solution to the future of the Falklands would have to take place. Argentina also took cognizance of the fact that Australia had not reduced the level of our diplomatic representation in Buenos Aires, had not banned trade in both directions, and had not provided material assistance to Britain for their war effort. Overall, Australia's position on the Falklands served our interests effectively.

2. As already stated in the Review, the Falklands will remain a major foreign policy issue for Argentina for many years to come. We are well placed here in Buenos Aires to follow this subject closely and to make approaches to the Argentine authorities as required. We are similarly well placed in relation to the subject of diplomatic relations between Argentina and Britain. We intend to cover these questions comprehensively in the forthcoming year.

Malcolm Dan
(Malcolm Dan)
Ambassador

~~Maureen~~
Could you please copy
this memo to all those to
whom we sent copies of the
Buenos Aires. R/S Selth pce.

AS 3/5

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REPLY TO ANNUAL REVIEW: ARGENTINA

We are aware of the high level of immigration activity both in Argentina and in the other South American countries for which the Regional Director also has responsibility. Concerning this subject, the role of this Department is to seek to ensure that Australian immigration policies are consistent with our broader foreign policy interests and that they take account of any particular factors which could affect bilateral relations or Australia's standing within a source country.

We consider that the outflow of skilled workers from South American countries, Argentina in particular, is a sensitive issue and the recruitment of such persons should be pursued with only minimum publicity. A low public profile on migration matters is seen as being commensurate with ensuring the continued operation of the Embassy in view of the Argentine Government's sensitivities on emigration issues.

In view of the relative instability of some South American governments in the countries to which you are accredited, the movement of migration officers should be closely monitored. Until such time as we recognise the present Bolivian regime, we would not wish to see Australian officers entering Bolivia to carry out migration or any other functions. Their activities within the country would become known to the Bolivian Government and be seen as a general acceptance of their policies. We would also foresee difficulties in extending normal consular assistance to A-based staff in Bolivia if it were to be required.

Your despatch on migration to Australian from Argentine and Uruguay was welcome and studied with considerable interest. The Department's role in immigration matters is facilitated if we have access to our own sources as well as those of the Department of Immigration and Ethnic Affairs, which is, of course, responding in many instances to a different set of considerations from those which would concern this Department.

The Australian government has now enlarged its refugee program for refugee resettlement from Latin America, both geographically and numerically, to cater for Latin Americans who can satisfy the criteria for refugee status and refugee resettlement in Australia. No specific quota has been set for the enlarged program. Periodic reporting on the situations that refugees in the Argentine are likely to encounter should they return to their homeland, would be useful.

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4 May, 1981.

ANNUAL REVIEW - BUENOS AIRES

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With reference to my minute of
3 April I should be grateful for your comments
on the Buenos Aires Annual Review as soon as
possible. Comments were due on 16 April.

(P. A. Jackson)
Acting Assistant Secretary,
Americas and New Zealand Branch

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C O N F I D E N T I A L

ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
MARCH 1980 - MARCH 1981

SUMMARY OF AUSTRALIAN INTERESTS

Australia's interests in Argentina are both varied and substantial. During the past twelve months the Mission as a deliberate policy has sought to build upon areas of common interest with Argentina and extend the range of the dialogue conducted by the Mission. Our heavy emphasis has been on bilateral issues. These include Antarctica, Law of the Sea, nuclear, agricultural commodities, migration and human rights. For the most part Argentina has responded positively. In our relations, one problem area has been human rights. Another of great concern to us relates to Argentina's nuclear intentions. Relations with Uruguay and Paraguay have not changed but, as in the case of Argentina, the emphasis in the Mission's work has been on bilateral interests.

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

2. Australia and Argentina are two of the most important parties to the Antarctic Treaty. Both are claimant States. Over the years we have built up an important relationship in this area.

3. Australia's interest in developing close coordination and consultation with Argentina in Antarctic matters will receive a major boost with the holding of the Antarctic Treaty Consultative Meeting in Buenos Aires in June/July. The preliminary meeting for this major conference was held in Buenos Aires in February. The Buenos Aires meeting will provide an opportunity to increase the range and scope of our contacts and to coordinate (where it suits us) our respective policy interests.

4. There was also close liaison and consultation with Argentina in connection with the Convention on Antarctic Marine Living Resources. Argentina played a prominent and helpful role at the Canberra meeting and supported Hobart as the headquarters for the Commission. The Mission was also involved in discussions with the Argentine MFA concerning the AMLR Signing Ceremony in Canberra and the follow-up Conference in Hobart in the latter part of 1981.

C O N F I D E N T I A L

5. Our two countries have also worked closely together on Law of the Sea issues and we are both members of the "Margineers Group". Law of the Sea discussions we had in the Foreign Ministry on sea-bed mining were useful, but were limited due to the early departure of senior delegation members. We continue to be well received in the Law of the Sea section of MFA and Argentina looks to Australia as an ally in LOS matters.

6. Australia has a legitimate interest in Argentina's human rights record, especially since we are a responsible member of the CHR. At the Ambassador's presentation of credentials ceremony in April 1980 (normally a purely protocol occasion) however both the President and Foreign Minister made it clear that they were disappointed by Australia's prominence at CHR 36 on the subject of Argentina's human rights record. We believe that this was one reason why President Videla did not contemplate stopping over in Sydney on his return from his State visit to the PRC, but instead visited New Zealand. The last minute cancellation of the visit to Australia by the President of the Supreme Court for the Second International Conference of Appellate Judges "for purely circumstantial reasons" also was rather curious. Argentina declined to support Australia's candidature for re-election to CHR. Australia's prominence in introducing the text of a resolution on disappeared persons at the UN World Conference on Women was also seen by Argentine officials as an unfriendly act. Australia has been regarded by Argentina as a leader in international bodies in the "witch hunt" against Argentina. Australia's active interest at CHR 37 in the subject of disappeared persons was also disappointing to the Argentine Government although the MFA expressed satisfaction that our delegation had been instructed not to play a prominent role.

7. Our own view is that since Australia's attitude on this subject is now so well known to the Argentine Government, it serves no useful purpose to harp unnecessarily on it at international gatherings. It would be more effective - for the cause of human rights in Argentina - if we spoke confidentially to the Argentines of our serious and legitimate concerns. This the Ambassador has done in Buenos Aires on a number of occasions and at a high level. He will continue to do so.

8. Our interest in Argentina's nuclear programme has increased - and with justification. Argentina has become a test case in the post-INFCE period with its successful avoidance of full-scope safeguards in the negotiation of nuclear contracts with the FRG and Switzerland, and its determination to obtain a completely independent nuclear fuel cycle. Argentina does not intend to sign the NPT and,

indeed, appears to have fashioned a policy of seeking opportunity to weaken the NPT. As a result, we have broadened our reporting on a wide range of nuclear matters and have improved our contacts with the Argentine Atomic Energy Commission. This is a very important subject for Australia and the Ambassador will take every opportunity to convey our views to leading Argentine personalities.

9. Argentina like Australia is a major exporter of agricultural commodities, especially grains, meat and wool. We have continued to monitor Argentina's export policies and to consult with Argentina on a range of subjects of mutual interest including our common problems with the EEC. Cooperation in this area was given an impetus by the visit to Australia in April 1980 by the Argentine Secretary of State for Agriculture, Jorge Zorregueta, as a guest of the Australian Government. This was further enhanced by bilateral consultations during the year and through personal exchanges between the Ambassador and the Argentine Secretary of Agriculture.

10. Australia's trade with Argentina, Uruguay and Paraguay increased. Argentina is Australia's largest export market in Latin America. In 1979/80, Australia's exports to Argentina amounted to \$91.4 million.

11. Argentina proposed a scientific and technical cooperation agreement to Australia last year. This has not been raised again with us here, but with the appointment of Argentina's Agricultural Counsellor in Canberra we would expect the subject to be introduced again.

12. This post now has total responsibility for migration from South America and it is a major Embassy activity. All records have now been centralized here. Argentina continues to provide the bulk of the migrants from Latin America. So far there have been no bilateral problems with governments in migrant-source countries of the area.

13. Argentina is still the only Latin American country to have taken a significant number of Indo-Chinese refugees. However, as their programme intake ran into serious re-settlement difficulties, the time is not appropriate for us to encourage Argentina to greater efforts. Indeed it seems unlikely that the current target of 1000 families (4,000 refugees) will be met.

14. The establishment of a commercial south polar air route between Argentina and Australia was one of the principal Argentine interests during the year. Senior QANTAS officials had a number of exploratory discussions in Buenos Aires. QANTAS is apparently not convinced that the route would be commercially viable. From a purely

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political point of view it would be beneficial for Australia/Argentina relations were the route to be opened. We hope it will be kept under review by interested Departments.

15. We received encouraging responses to our requests for support for Australian candidacies, e.g. to the Committee on Food Aid Policies and Programmes of the World Food Programme and INTELSAT Panel of Legal Experts. Argentina supported Australia's candidature for the ICAO 23 Council elections on a reciprocal basis. We have had a positive response from the MFA and Atomic Energy Commission on Dr Wilson's candidacy for the position of Director-General of the IAEA. Our proposal for a Review of the Multilateral Treaty-Making Process was received positively in the MFA.

16. Discussion with Foreign Ministry officials about UNCTAD and North/South issues was not particularly fruitful, but the Argentines were glad to have been consulted and appreciated the opportunity for bilateral discussions. We have received support from Argentina regarding Australia's problems with the EEC. This will be an area of increasing importance to us in our discussions with the Argentines.

17. Argentina has taken a more positive attitude to the Non-Aligned movement and the MFA has given us some useful briefings. The MFA has offered to keep us informed of major developments in the NAM.

AUSTRALIA'S BILATERAL RELATIONS
WITH URUGUAY AND PARAGUAY

18. Our interests in Uruguay have increased a little due to Uruguayan interest in Antarctica and because Uruguay has been subject to close scrutiny by the CHR. An important exercise in democracy (the Constitutional referendum in November) as well as greatly increased domestic pressures in Australia over human rights has meant that Uruguay has received greater attention. There has been no change in our trade and immigration interests in Uruguay. Australia's interests have not changed in respect of Paraguay.

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POST ACTIVITIES

ARGENTINA

19. In our reporting we have concentrated heavily this year on bilateral interests. Consequently we have confined political and economic work to reporting on broad developments. Apart from the Ambassador, there is only one political officer in the Mission. This is a pity, because there is great scope for economic, agricultural commodity and energy reporting - areas of great importance to Australia.

20. In our reporting on broad political developments we have monitored the Armed Forces' plan for a transitional return to democratic government. (We do not believe this will happen for many years.) Reporting on human rights cases, disappearances and threats to human rights activists has been maintained. We have expanded our nuclear reporting on Argentina's research reactor programme, its attitudes to the IAEA, the development of its unsafeguarded pilot heavy water plant and on Argentina's drawn-out moves towards ratification of the Treaty of Tlatelolco. We were able to obtain a good appreciation of Argentina's position as a key coordinating country for nuclear matters in the Non-Aligned Movement.

21. We have reported fully on Argentina's foreign relations. We have monitored Argentina's developing relationship with the USSR and its erratic relationship with the United States. (Argentina's relationship with the two Super Powers was the subject of a Dispatch.) We have also followed Argentina's new relationship with Brazil. We have kept a close watch on Argentina's bilateral relations with Chile in the Beagle Channel dispute. We have followed the long standing sovereignty conflict between Argentina and the United Kingdom over the Falkland Islands. We prepared a two-part report on Argentina in the 1980's.

22. Economic reporting was earlier covered by quarterly savingram. Because of our staffing situation this slipped slightly but we want to revert to quarterly reports. There will also be more economic content in the monthly political and economic savingram. The Mission attaches a very high priority to economic work but, given our staffing resources, this has to compete with other high priority areas such as nuclear, antarctica and human rights.

URUGUAY AND PARAGUAY

23. Relations with Uruguay have not altered greatly in the past year. Representations over human rights cases has been one of our major interests. However, an

interest by the Under Secretary for Foreign Affairs in Antarctica developments has meant that a new and important dialogue has developed. As was the case last year, there has been some improvement in trade and immigration interests. The Ambassador visited both Uruguay and Paraguay to present credentials and to make initial calls on senior ministers.

URUGUAY

24. Regular reporting on Uruguay has had to be curtailed but we have tried to cover the major developments. We have established an improved system for obtaining information on various human rights cases both with the International Committee of the Red Cross (ICRC) and other Embassies in Montevideo. This will assist the Department in obtaining quicker responses from the Embassy to Ministerial representations and other human rights cases while Uruguay is still subject to the confidential procedures of the CHR. We made a special effort to cover the Uruguayan constitutional plebiscite in November which was observed by the First Secretary. The plebiscite was a fair one and the Uruguayan Government must be given credit for making it so, even though the new constitution was rejected by the people.

PARAGUAY

25. Reporting on Paraguay has been minimal. However, following the Ambassador's presentation of credentials, he has been able to make a few visits - for President Stroessner's birthday celebrations, and for initial calls on senior government Ministers. We reported the assassination of the ex-Nicaraguan President Somoza. We will continue to report on major developments when they occur.

TRADE AND TRADE RELATIONS

26. During the period under review, Australia's trade with Argentina, Uruguay, and Paraguay continued to increase. Argentina remains by far the most important export market for Australia in the Latin American region. In 1979/80 Australia's exports to Argentina doubled, compared with the previous year from \$45.6 million to \$91.4 million. Exports for the first six months of the current financial year were down on the same period of the previous year, mainly due to industrial problems in Australia and the unavailability of malting barley and milk powder; there are, however, good prospects that during the second part of the current financial year exports from Australia to Argentina will increase. There has recently been a substantial sale of iron and steel and a trial shipment of Australian coking coal that had been deferred because of difficulties both in

Australia and Argentina, may now eventuate and result in a steady trade in coal to Argentina. While bulk commodities, minerals and agriculture products account for most of Australia's exports to Argentina, Argentina offers a reasonably good market for Australia's manufactured products. The fact that Australia has been able to sell such a wide range of products, as hand tools, solar energy equipment, building materials, agricultural machinery, particularly sugar cane harvesting, shearing, and wool-handling equipment, lenses, precision instruments, indicates that further exports can be developed. Difficulties associated with inadequate and high cost shipping have been the major factor inhibiting a substantial increase of exports of manufactured goods from Australia.

27. The ban by Argentina because of quarantine reasons on the importation of Australian merino sheep, was lifted in August 1980 and to date, some 30 merino rams have been purchased by Argentine wool producers.

28. Australia's exports to Uruguay and Paraguay are increasing but remain small. In 1979/80 exports to Uruguay were \$2.6 million and to Paraguay \$72,000.

29. There remained a substantial imbalance of trade between Australia and Argentina. Argentine exports to Australia in 1979/80 amounted to only \$6.9 million. Exports to Australia from Uruguay and Paraguay remained insignificant.

30. Trade relations with the three countries covered by this Post are good. In the case of Argentina and Uruguay one of the major reasons for our good relations is that both these countries are major exporters of agricultural commodities, particularly wool, meat, and, in the case of Argentina, grains. Much of the Trade Commissioner's time has been taken up consulting with officials in Argentina and, when possible, Uruguay, on a wide range of international commodity matters. Argentina and Uruguay strongly supported Australia's initiative to establish a number of working groups within the GATT International Meat Agreement to monitor developments and problems of world meat trade. There was close cooperation in other commodity matters, including ongoing work of the International Wheat Agreement and International Sugar Council.

31. During the period under review the Argentine Secretary of State for Agriculture visited Australia at the invitation of the Australian Government. The Presidents of both the Argentine Grain Board and Meat Board also visited Australia for discussion with their Australian counterparts.

MIGRATION ACTIVITIES

32. During 1980 the area of responsibility of the Chief Migration Officer, Buenos Aires was increased to encompass all countries in South America. Prior to 1 July, 1980 this post was responsible for migrant entry work involving applicants from Argentina, Uruguay, Paraguay and Brazil. However, following a visit by two senior Departmental officers in March 1980, the position of Chief Migration Officer Santiago was abolished and that post was reduced to one Australia-based officer plus five locally-engaged staff to deal with applications in Chile only. Responsibility for migrant entry policy in the Andean countries, formerly administered by Santiago, was then transferred to Buenos Aires and the position of Chief Migration Officer was upgraded to that of Regional Director. Santiago is now semi-autonomous but is answerable to Buenos Aires on policy matters. The present staff in the migration section comprises the Regional Director, two Migration Officers, a Medical Director, one Liaison Officer and a Senior Technical Adviser, whose work is mainly associated with the selection of skilled metal and electrical tradesmen. In addition there are 9 locally-engaged staff.

Migrant Entry

33. There is still a high level of interest in migration to Australia from applicants living in Argentina and Uruguay. The interest is much less in Paraguay which is visited only occasionally by migration staff. Frequent visits are made to Montevideo, the capital of Uruguay, and to provincial cities in Argentina such as Rosario, Cordoba and Mendoza. The following statistics give a general indication of the level of migration activities during 1980:

First Enquiries	10,633
Applications received (persons)	5,504
Applicants interviewed (persons)	1,021
Applications approved (persons)	750
Visas issued	839
Departures	796

34. Australia still has a continuing and unsatisfied demand for skilled workers, particularly those in the metal and electrical trades. In fact, the Numerical Multifactor Assessment procedure (NUMAS) places great emphasis on the possession of trade skills and the demand for such skills in Australia as conditions for approval. Unfortunately, due to our high selection standards, and the fact that technical training in the countries covered by this post is generally of a standard lower than Australia, the rejection rate for persons seeking entry as skilled workers is fairly high.

Air Transport for Migrants

35. One continuing problem here confronting approved migrants is the lack of a direct air service between any of the countries of South America and Australia. As mentioned in Annual Review 1979, only one air service provided by LAN Chile operates across the South Pacific to Nadi where passengers are interlined to other flights proceeding to Australia. The fare on this route was reasonably attractive as passengers could take advantage of an APEX type fare approved by the Governments of Chile and Fiji, and combine this with another excursion type fare between Nadi and Australian airports. Unfortunately the LAN Chile service to Nadi will be discontinued as from 31 March 1981 and the alternative will be on LAN Chile flights from Santiago to Papeete, interlining there to either UTA French airlines or Air New Zealand. There is no special fare on this route.

36. During 1980, however, QANTAS and BRANIFF International came to an arrangement approved by the Australian Government which provides a special fare for migrants travelling by BRANIFF from Buenos Aires to Los Angeles or San Francisco, thence on QANTAS flights to Australia. This new facility parallels one operated by Canadian Pacific Airlines which has operated for some years. Migrants from this part of the world may fly to Vancouver and from there proceed to Australia on the Canadian airline's weekly flight to Sydney. The BRANIFF QANTAS fare is exactly the same as that charged by Canadian Pacific.

Temporary Entry

37. There was a significant increase in the number of persons seeking and being approved for temporary entry. These include visitors, businessmen, and students. Total visas issued for 1980 were 1746, compared with 1333 in 1979, and 1052 in 1978. The level of visitor visa applications is still relatively high and it is expected that in 1981 about 2000 persons will be approved for temporary entry.

38. In Annual Review 1979 the problem of the overstayed visitor was mentioned and at that time the overstayed rate from Uruguay was 13% and from Argentina 7%. The figure for all countries at that time was 3%. It is pleasing to record that there has been an improvement to these figures which from Uruguay and Argentina are now 4% and 2% respectively. These are in line with the international average. The improvement has been due to the adoption of more thorough procedures to identify the bona fide cases from those who genuinely intend a short term visit and abide by the conditions of entry.

INFORMATION ACTIVITIES

39. A new system of monthly Spanish newsletters has been established with a select targetted audience. Information requests from Argentine provincial authorities have received a quick and efficient response from the Department. The Ambassador's wife and the First Secretary participated in two radio interviews during the year. Coverage of Australia in magazines and newspapers has increased. The Ambassador's wife gave two interviews to the press ("La Prensa" and "Participar") and the Ambassador and his wife appeared on T.V. as members of the "Miss Argentina" judging panel. The Ambassador's provincial tours received wide publicity in the provincial press. Information activities in Paraguay and Uruguay have been limited.

CULTURAL ACTIVITIES

40. The major success for the year was the Australian Film Week in April/May when 7 Australian films were shown in Buenos Aires. Following the success of the festival the films went on commercial provincial circuits in Argentina. The films on the 16 mm Film circuit - "Sunday Too Far Away" and "Caddie" - were shown to selected audiences. "Caddie" had been released here commercially some years ago.

41. The Aboriginal Arts exhibition had a very successful month-long display in downtown Buenos Aires in May. Assistance was provided by the Museum of Oriental Art. It was also sent to two major provincial cities, Rosario and Mar del Plata. This exhibition has been a major boost to our cultural programme and stimulated much interest in Australia. This year has been an active one for the Argentine/Australian Cultural Institute some of whose activities we support. A locally-engaged Embassy officer provides liaison assistance where required.

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TRAVEL

42. The Ambassador presented credentials in Uruguay and Paraguay and has made a number of subsequent visits for representational and reporting purposes. The Ambassador also made brief visits to some of the Northern provinces and made good contacts for Australia with industrialists in the Argentine sugar industry. The First Secretary made brief visits to Uruguay in order to make representations over human rights and to observe the Uruguayan constitutional referendum. We intend to follow a similar programme in the latter half of 1981.

VISITORS

43. Australian visitors have included Senator Lajovic, Professor F. Callaway, President of the International Music Council of UNESCO, a Research Officer from the West Australian Department of Agriculture, the Deputy Secretary of Immigration and Ethnic Affairs, and QANTAS officials. Argentine visitors to Australia included the Secretary of State for Agriculture (Zorreguieta), the President of the Argentine Council for International Relations, Veterinary officials, the President of the Grains Board for the grain exporters meeting in Adelaide, the President of the Meat Board for a meeting in Sydney, members of the Buenos Aires Stock Exchange, and a Professor of Acoustics for the 10th International Congress on Acoustics in Sydney.

44. The Leader of the Opposition, Mr Hayden, visited Argentina during the summer parliamentary recess. Mr Hayden's visit in particular provided an excellent opportunity for developing our bilateral relations with senior government ministers.

SECURITY

45. Terrorism in Argentina has been effectively stamped out but there always remains the possibility of an attack from Argentine terrorists living outside the country. The Argentine Government is conscious of this and has provided around-the-clock police protection for all HOM Residences and for Chanceries during office hours.

46. During the year, Swiss properties in various parts of the world were attacked by an Armenian group calling itself '3 October'. Since our office is located in the Swissair building, we were obliged to institute some special security precautions.

47. Our office physical security is not good and we shall be making some proposals to improve it.

C O N F I D E N T I A L

FAO STAFFING

48. The Embassy lost the Third Secretary position at the beginning of the period under review. The occupant of that position had in fact been spending up to 80 per cent of his time on information and cultural work and the visiting team which recommended that he not be replaced took the view that this allocation of time was not justified. We have no quarrel with that. But our Australian interests here are considerable and we believe a Third Secretary could spend his time profitably on a host of important subjects, including international economic issues and agricultural commodity work (the latter in collaboration with the Commercial Counsellor). Argentina is almost self-sufficient in oil and is the second largest oil producer in South America. We should send more reports on energy developments in Argentina - a task an additional officer could give a high priority to. Given the critical staffing problem faced by the Department, the Ambassador does not intend to request that this position be reactivated. The Ambassador would, however, ask that, in any reshuffling of overseas positions, the claims of Buenos Aires be kept in mind. The best advice for the MFS Division in the matter would come from the Legal and Treaties, Economic, Nuclear and IOAME Divisions, which are the Buenos Aires Embassy's main clients.

ADMINISTRATION

49. We are conscious that we are a high-cost Mission and that we must keep expenditure to a minimum. A high rate of inflation and low exchange rate and the consequent increase in costs in dollar terms, coupled with restrictions on funds available have presented problems for embassy administration. Given the fact that we are a medium-sized Embassy comprising 43 officers (14 Australia-based and 29 locally-engaged), our problems with budgeting are not inconsiderable.

50. Overseas Operations Bureau items have been particularly hard hit with costs for utilities and petrol increasing more than 100% during the year. We have kept a close watch on rentals which have escalated to alarming heights. In the immediate future they are likely to continue to increase. We should look again at the possibility of buying properties.

51. The lease of the three rented floors in the Swissair building in Avenida Santa Fe expires next year. We shall soon begin exploratory enquiries in relation to the following alternatives: (i) renew the lease (ii) purchase the three floors (iii) seek other rented/bought premises. If we remain where we are, we shall also have to consider such matters as the construction of an internal access stairway to all three floors and the provision of better security.

53. The year under review began with a visit by a member of the Commonwealth Auditor-General's Office and closed with an internal audit from Foreign Affairs. The latter team informed the Mission that the management of accounts was satisfactory and that, on the property side, the records were very good.

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Agricultural Commodities
Migration
- On the negative side - Nuclear
Human Rights.

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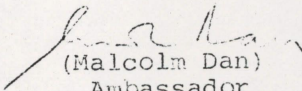
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CONCLUSION

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(Malcolm Dan)
Ambassador

C O N F I D E N T I A L

ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
MARCH 1980 - MARCH 1981

SUMMARY OF AUSTRALIAN INTERESTS

Australia's interests in Argentina are both varied and substantial. During the past twelve months the Mission as a deliberate policy has sought to build upon areas of common interest with Argentina and extend the range of the dialogue conducted by the Mission. Our heavy emphasis has been on bilateral issues. These include Antarctica, Law of the Sea, nuclear, agricultural commodities, migration and human rights. For the most part Argentina has responded positively. In our relations, one problem area has been human rights. Another of great concern to us relates to Argentina's nuclear intentions. Relations with Uruguay and Paraguay have not changed but, as in the case of Argentina, the emphasis in the Mission's work has been on bilateral interests.

AUSTRALIA'S BILATERAL RELATIONS WITH ARGENTINA

2. Australia and Argentina are two of the most important parties to the Antarctic Treaty. Both are claimant States. Over the years we have built up an important relationship in this area.

3. Australia's interest in developing close coordination and consultation with Argentina in Antarctic matters will receive a major boost with the holding of the Antarctic Treaty Consultative Meeting in Buenos Aires in June/July. The preliminary meeting for this major conference was held in Buenos Aires in February. The Buenos Aires meeting will provide an opportunity to increase the range and scope of our contacts and to coordinate (where it suits us) our respective policy interests.

4. There was also close liaison and consultation with Argentina in connection with the Convention on Antarctic Marine Living Resources. Argentina played a prominent and helpful role at the Canberra meeting and supported Hobart as the headquarters for the Commission. The Mission was also involved in discussions with the Argentine MFA concerning the AMLR Signing Ceremony in Canberra and the follow-up Conference in Hobart in the latter part of 1981.

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5. Our two countries have also worked closely together on Law of the Sea issues and we are both members of the "Margineers Group". Law of the Sea discussions we had in the Foreign Ministry on sea-bed mining were useful, but were limited due to the early departure of senior delegation members. We continue to be well received in the Law of the Sea section of MFA and Argentina looks to Australia as an ally in LOS matters.

6. Australia has a legitimate interest in Argentina's human rights record, especially since we are a responsible member of the CHR. At the Ambassador's presentation of credentials ceremony in April 1980 (normally a purely protocol occasion) however both the President and Foreign Minister made it clear that they were disappointed by Australia's prominence at CHR 36 on the subject of Argentina's human rights record. We believe that this was one reason why President Videla did not contemplate stopping over in Sydney on his return from his State visit to the PRC, but instead visited New Zealand. The last minute cancellation of the visit to Australia by the President of the Supreme Court for the Second International Conference of Appellate Judges "for purely circumstantial reasons" also was rather curious. Argentina declined to support Australia's candidature for re-election to CHR. Australia's prominence in introducing the text of a resolution on disappeared persons at the UN World Conference on Women was also seen by Argentine officials as an unfriendly act. Australia has been regarded by Argentina as a leader in international bodies in the "witch hunt" against Argentina. Australia's active interest at CHR 37 in the subject of disappeared persons was also disappointing to the Argentine Government although the MFA expressed satisfaction that our delegation had been instructed not to play a prominent role.

7. Our own view is that since Australia's attitude on this subject is now so well known to the Argentine Government, it serves no useful purpose to harp unnecessarily on it at international gatherings. It would be more effective - for the cause of human rights in Argentina - if we spoke confidentially to the Argentines of our serious and legitimate concerns. This the Ambassador has done in Buenos Aires on a number of occasions and at a high level. He will continue to do so.

8. Our interest in Argentina's nuclear programme has increased - and with justification. Argentina has become a test case in the post-INFCE period with its successful avoidance of full-scope safeguards in the negotiation of nuclear contracts with the FRG and Switzerland, and its determination to obtain a completely independent nuclear fuel cycle. Argentina does not intend to sign the NPT and,

eed, appears to have fashioned a policy of seeking any opportunity to weaken the NPT. As a result, we have broadened our reporting on a wide range of nuclear matters and have improved our contacts with the Argentine Atomic Energy Commission. This is a very important subject for Australia and the Ambassador will take every opportunity to convey our views to leading Argentine personalities.

9. Argentina like Australia is a major exporter of agricultural commodities, especially grains, meat and wool. We have continued to monitor Argentina's export policies and to consult with Argentina on a range of subjects of mutual interest including our common problems with the EEC. Cooperation in this area was given an impetus by the visit to Australia in April 1980 by the Argentine Secretary of State for Agriculture, Jorge Zorreguita, as a guest of the Australian Government. This was further enhanced by bilateral consultations during the year and through personal exchanges between the Ambassador and the Argentine Secretary of Agriculture.

10. Australia's trade with Argentina, Uruguay and Paraguay increased. Argentina is Australia's largest export market in Latin America. In 1979/80, Australia's exports to Argentina amounted to \$91.4 million.

11. Argentina proposed a scientific and technical cooperation agreement to Australia last year. This has not been raised again with us here, but with the appointment of Argentina's Agricultural Counsellor in Canberra we would expect the subject to be introduced again.

12. This post now has total responsibility for migration from South America and it is a major Embassy activity. All records have now been centralized here. Argentina continues to provide the bulk of the migrants from Latin America. So far there have been no bilateral problems with governments in migrant-source countries of the area.

13. Argentina is still the only Latin American country to have taken a significant number of Indo-Chinese refugees. However, as their programme intake ran into serious re-settlement difficulties, the time is not appropriate for us to encourage Argentina to greater efforts. Indeed it seems unlikely that the current target of 1000 families (4,000 refugees) will be met.

14. The establishment of a commercial south polar air route between Argentina and Australia was one of the principal Argentine interests during the year. Senior QANTAS officials had a number of exploratory discussions in Buenos Aires. QANTAS is apparently not convinced that the route would be commercially viable. From a purely

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political point of view it would be beneficial for Australia/Argentina relations were the route to be opened. We hope it will be kept under review by interested Departments.

15. We received encouraging responses to our requests for support for Australian candidacies, e.g. to the Committee on Food Aid Policies and Programmes of the World Food Programme and INTELSAT Panel of Legal Experts. Argentina supported Australia's candidature for the ICAO 23 Council elections on a reciprocal basis. We have had a positive response from the MFA and Atomic Energy Commission on Dr Wilson's candidacy for the position of Director-General of the IAEA. Our proposal for a Review of the Multilateral Treaty-Making Process was received positively in the MFA.

16. Discussion with Foreign Ministry officials about UNCTAD and North/South issues was not particularly fruitful, but the Argentines were glad to have been consulted and appreciated the opportunity for bilateral discussions. We have received support from Argentina regarding Australia's problems with the EEC. This will be an area of increasing importance to us in our discussions with the Argentines.

17. Argentina has taken a more positive attitude to the Non-Aligned movement and the MFA has given us some useful briefings. The MFA has offered to keep us informed of major developments in the NAM.

AUSTRALIA'S BILATERAL RELATIONS
WITH URUGUAY AND PARAGUAY

18. Our interests in Uruguay have increased a little due to Uruguayan interest in Antarctica and because Uruguay has been subject to close scrutiny by the CHR. An important exercise in democracy (the Constitutional referendum in November) as well as greatly increased domestic pressures in Australia over human rights has meant that Uruguay has received greater attention. There has been no change in our trade and immigration interests in Uruguay. Australia's interests have not changed in respect of Paraguay.

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POST ACTIVITIES

ARGENTINA

19. In our reporting we have concentrated heavily this year on bilateral interests. Consequently we have confined political and economic work to reporting on broad developments. Apart from the Ambassador, there is only one political officer in the Mission. This is a pity, because there is great scope for economic, agricultural commodity and energy reporting - areas of great importance to Australia.

20. In our reporting on broad political developments we have monitored the Armed Forces' plan for a transitional return to democratic government. (We do not believe this will happen for many years.) Reporting on human rights cases, disappearances and threats to human rights activists has been maintained. We have expanded our nuclear reporting on Argentina's research reactor programme, its attitudes to the IAEA, the development of its unsafe-guarded pilot heavy water plant and on Argentina's drawn-out moves towards ratification of the Treaty of Tlatelolco. We were able to obtain a good appreciation of Argentina's position as a key coordinating country for nuclear matters in the Non-Aligned Movement.

21. We have reported fully on Argentina's foreign relations. We have monitored Argentina's developing relationship with the USSR and its erratic relationship with the United States. (Argentina's relationship with the two Super Powers was the subject of a Dispatch.) We have also followed Argentina's new relationship with Brazil. We have kept a close watch on Argentina's bilateral relations with Chile in the Beagle Channel dispute. We have followed the long standing sovereignty conflict between Argentina and the United Kingdom over the Falkland Islands. We prepared a two-part report on Argentina in the 1980's.

22. Economic reporting was earlier covered by quarterly savingram. Because of our staffing situation this slipped slightly but we want to revert to quarterly reports. There will also be more economic content in the monthly political and economic savingram. The Mission attaches a very high priority to economic work but, given our staffing resources, this has to compete with other high priority areas such as nuclear, antarctica and human rights.

URUGUAY AND PARAGUAY

23. Relations with Uruguay have not altered greatly in the past year. Representations over human rights cases has been one of our major interests. However, an

interest by the Under Secretary for Foreign Affairs in Antarctica developments has meant that a new and important dialogue has developed. As was the case last year, there has been **some** improvement in trade and immigration interests. The Ambassador visited both Uruguay and Paraguay to present credentials and to make initial calls on senior ministers.

URUGUAY

24. Regular reporting on Uruguay has had to be curtailed but we have tried to cover the major developments. We have established an improved system for obtaining information on various human rights cases both with the International Committee of the Red Cross (ICRC) and other Embassies in Montevideo. This will assist the Department in obtaining quicker responses from the Embassy to Ministerial representations and other human rights cases while Uruguay is still subject to the confidential procedures of the CHR. We made a special effort to cover the Uruguayan constitutional plebiscite in November which was observed by the First Secretary. The plebiscite was a fair one and the Uruguayan Government must be given credit for making it so, even though the new constitution was rejected by the people.

PARAGUAY

25. Reporting on Paraguay has been minimal. However, following the Ambassador's presentation of credentials, he has been able to make a few visits - for President Stroessner's birthday celebrations, and for initial calls on senior government Ministers. We reported the assassination of the ex-Nicaraguan President Somoza. We will continue to report on major developments when they occur.

TRADE AND TRADE RELATIONS

26. During the period under review, Australia's trade with Argentina, Uruguay, and Paraguay continued to increase. Argentina remains by far the most important export market for Australia in the Latin American region. In 1979/80 Australia's exports to Argentina doubled, compared with the previous year from \$45.6 million to \$91.4 million. Exports for the first six months of the current financial year were down on the same period of the previous year, mainly due to industrial problems in Australia and the unavailability of malting barley and milk powder; there are, however, good prospects that during the second part of the current financial year exports from Australia to Argentina will increase. There has recently been a substantial sale of iron and steel and a trial shipment of Australian coking coal that had been deferred because of difficulties both in

Australia and Argentina, may now eventuate and result in a steady trade in coal to Argentina. While bulk commodities, minerals and agriculture products account for most of Australia's exports to Argentina, Argentina offers a reasonably good market for Australia's manufactured products. The fact that Australia has been able to sell such a wide range of products, as hand tools, solar energy equipment, building materials, agricultural machinery, particularly sugar cane harvesting, shearing, and wool-handling equipment, lenses, precision instruments, indicates that further exports can be developed. Difficulties associated with inadequate and high cost shipping have been the major factor inhibiting a substantial increase of exports of manufactured goods from Australia.

27. The ban by Argentina because of quarantine reasons on the importation of Australian merino sheep, was lifted in August 1980 and to date, some 30 merino rams have been purchased by Argentine wool producers.

28. Australia's exports to Uruguay and Paraguay are increasing but remain small. In 1979/80 exports to Uruguay were \$2.6 million and to Paraguay \$72,000.

29. There remained a substantial imbalance of trade between Australia and Argentina. Argentine exports to Australia in 1979/80 amounted to only \$6.9 million. Exports to Australia from Uruguay and Paraguay remained insignificant.

30. Trade relations with the three countries covered by this Post are good. In the case of Argentina and Uruguay one of the major reasons for our good relations is that both these countries are major exporters of agricultural commodities, particularly wool, meat, and, in the case of Argentina, grains. Much of the Trade Commissioner's time has been taken up consulting with officials in Argentina and, when possible, Uruguay, on a wide range of international commodity matters. Argentina and Uruguay strongly supported Australia's initiative to establish a number of working groups within the GATT International Meat Agreement to monitor developments and problems of world meat trade. There was close cooperation in other commodity matters, including ongoing work of the International Wheat Agreement and International Sugar Council.

31. During the period under review the Argentine Secretary of State for Agriculture visited Australia at the invitation of the Australian Government. The Presidents of both the Argentine Grain Board and Meat Board also visited Australia for discussion with their Australian counterparts.

MIGRATION ACTIVITIES

32. During 1980 the area of responsibility of the Chief Migration Officer, Buenos Aires was increased to encompass all countries in South America. Prior to 1 July, 1980 this post was responsible for migrant entry work involving applicants from Argentina, Uruguay, Paraguay and Brazil. However, following a visit by two senior Departmental officers in March 1980, the position of Chief Migration Officer Santiago was abolished and that post was reduced to one Australia-based officer plus five locally-engaged staff to deal with applications in Chile only. Responsibility for migrant entry policy in the Andean countries, formerly administered by Santiago, was then transferred to Buenos Aires and the position of Chief Migration Officer was upgraded to that of Regional Director. Santiago is now semi-autonomous but is answerable to Buenos Aires on policy matters. The present staff in the migration section comprises the Regional Director, two Migration Officers, a Medical Director, one Liaison Officer and a Senior Technical Adviser, whose work is mainly associated with the selection of skilled metal and electrical tradesmen. In addition there are 9 locally-engaged staff.

Migrant Entry

33. There is still a high level of interest in migration to Australia from applicants living in Argentina and Uruguay. The interest is much less in Paraguay which is visited only occasionally by migration staff. Frequent visits are made to Montevideo, the capital of Uruguay, and to provincial cities in Argentina such as Rosario, Cordoba and Mendoza. The following statistics give a general indication of the level of migration activities during 1980:

First Enquiries	10,633
Applications received (persons)	5,504
Applicants interviewed (persons)	1,021
Applications approved (persons)	750
Visas issued	839
Departures	796

34. Australia still has a continuing and unsatisfied demand for skilled workers, particularly those in the metal and electrical trades. In fact, the Numerical Multifactor Assessment procedure (NUMAS) places great emphasis on the possession of trade skills and the demand for such skills in Australia as conditions for approval. Unfortunately, due to our high selection standards, and the fact that technical training in the countries covered by this post is generally of a standard lower than Australia, the rejection rate for persons seeking entry as skilled workers is fairly high.

Air Transport for Migrants

35. One continuing problem here confronting approved migrants is the lack of a direct air service between any of the countries of South America and Australia. As mentioned in Annual Review 1979, only one air service provided by LAN Chile operates across the South Pacific to Nadi where passengers are interlined to other flights proceeding to Australia. The fare on this route was reasonably attractive as passengers could take advantage of an APEX type fare approved by the Governments of Chile and Fiji, and combine this with another excursion type fare between Nadi and Australian airports. Unfortunately the LAN Chile service to Nadi will be discontinued as from 31 March 1981 and the alternative will be on LAN Chile flights from Santiago to Papeete, interlining there to either UTA French airlines or Air New Zealand. There is no special fare on this route.

36. During 1980, however, QANTAS and BRANIFF International came to an arrangement approved by the Australian Government which provides a special fare for migrants travelling by BRANIFF from Buenos Aires to Los Angeles or San Francisco, thence on QANTAS flights to Australia. This new facility parallels one operated by Canadian Pacific Airlines which has operated for some years. Migrants from this part of the world may fly to Vancouver and from there proceed to Australia on the Canadian airline's weekly flight to Sydney. The BRANIFF QANTAS fare is exactly the same as that charged by Canadian Pacific.

Temporary Entry

37. There was a significant increase in the number of persons seeking and being approved for temporary entry. These include visitors, businessmen, and students. Total visas issued for 1980 were 1746, compared with 1333 in 1979, and 1052 in 1978. The level of visitor visa applications is still relatively high and it is expected that in 1981 about 2000 persons will be approved for temporary entry.

38. In Annual Review 1979 the problem of the overstayed visitor was mentioned and at that time the overstayed rate from Uruguay was 13% and from Argentina 7%. The figure for all countries at that time was 3%. It is pleasing to record that there has been an improvement to these figures which from Uruguay and Argentina are now 4% and 2% respectively. These are in line with the international average. The improvement has been due to the adoption of more thorough procedures to identify the bona fide cases from those who genuinely intend a short term visit and abide by the conditions of entry.

INFORMATION ACTIVITIES

39. A new system of monthly Spanish newsletters has been established with a select targetted audience. Information requests from Argentine provincial authorities have received a quick and efficient response from the Department. The Ambassador's wife and the First Secretary participated in two radio interviews during the year. Coverage of Australia in magazines and newspapers has increased. The Ambassador's wife gave two interviews to the press ("La Prensa" and "Participar") and the Ambassador and his wife appeared on T.V. as members of the "Miss Argentina" judging panel. The Ambassador's provincial tours received wide publicity in the provincial press. Information activities in Paraguay and Uruguay have been limited.

CULTURAL ACTIVITIES

40. The major success for the year was the Australian Film Week in April/May when 7 Australian films were shown in Buenos Aires. Following the success of the festival the films went on commercial provincial circuits in Argentina. The films on the 16 mm Film circuit - "Sunday Too Far Away" and "Caddie" - were shown to selected audiences. "Caddie" had been released here commercially some years ago.

41. The Aboriginal Arts exhibition had a very successful month-long display in downtown Buenos Aires in May. Assistance was provided by the Museum of Oriental Art. It was also sent to two major provincial cities, Rosario and Mar del Plata. This exhibition has been a major boost to our cultural programme and stimulated much interest in Australia. This year has been an active one for the Argentine/Australian Cultural Institute some of whose activities we support. A locally-engaged Embassy officer provides liaison assistance where required.

TRAVEL

42. The Ambassador presented credentials in Uruguay and Paraguay and has made a number of subsequent visits for representational and reporting purposes. The Ambassador also made brief visits to some of the Northern provinces and made good contacts for Australia with industrialists in the Argentine sugar industry. The First Secretary made brief visits to Uruguay in order to make representations over human rights and to observe the Uruguayan constitutional referendum. We intend to follow a similar programme in the latter half of 1981.

VISITORS

43. Australian visitors have included Senator Lajovic, Professor F. Callaway, President of the International Music Council of UNESCO, a Research Officer from the West Australian Department of Agriculture, the Deputy Secretary of Immigration and Ethnic Affairs, and QANTAS officials. Argentine visitors to Australia included the Secretary of State for Agriculture (Zorreguieta), the President of the Argentine Council for International Relations, Veterinary officials, the President of the Grains Board for the grain exporters meeting in Adelaide, the President of the Meat Board for a meeting in Sydney, members of the Buenos Aires Stock Exchange, and a Professor of Acoustics for the 10th International Congress on Acoustics in Sydney.

44. The Leader of the Opposition, Mr Hayden, visited Argentina during the summer parliamentary recess. Mr Hayden's visit in particular provided an excellent opportunity for developing our bilateral relations with senior government ministers.

SECURITY

45. Terrorism in Argentina has been effectively stamped out but there always remains the possibility of an attack from Argentine terrorists living outside the country. The Argentine Government is conscious of this and has provided around-the-clock police protection for all HOM Residences and for Chanceries during office hours.

46. During the year, Swiss properties in various parts of the world were attacked by an Armenian group calling itself '3 October'. Since our office is located in the Swissair building, we were obliged to institute some special security precautions.

47. Our office physical security is not good and we shall be making some proposals to improve it.

FAO STAFFING

48. The Embassy lost the Third Secretary position at the beginning of the period under review. The occupant of that position had in fact been spending up to 80 per cent of his time on information and cultural work and the visiting team which recommended that he not be replaced took the view that this allocation of time was not justified. We have no quarrel with that. But our Australian interests here are considerable and we believe a Third Secretary could spend his time profitably on a host of important subjects, including international economic issues and agricultural commodity work (the latter in collaboration with the Commercial Counsellor). Argentina is almost self-sufficient in oil and is the second largest oil producer in South America. We should send more reports on energy developments in Argentina - a task an additional officer could give a high priority to. Given the critical staffing problem faced by the Department, the Ambassador does not intend to request that this position be reactivated. The Ambassador would, however, ask that, in any reshuffling of overseas positions, the claims of Buenos Aires be kept in mind. The best advice for the MFS Division in the matter would come from the Legal and Treaties, Economic, Nuclear and IOAME Divisions, which are the Buenos Aires Embassy's main clients.

ADMINISTRATION

49. We are conscious that we are a high-cost Mission and that we must keep expenditure to a minimum. A high rate of inflation and low exchange rate and the consequent increase in costs in dollar terms, coupled with restrictions on funds available have presented problems for embassy administration. Given the fact that we are a medium-sized Embassy comprising 43 officers (14 Australia-based and 29 locally-engaged), our problems with budgeting are not inconsiderable.

50. Overseas Operations Bureau items have been particularly hard hit with costs for utilities and petrol increasing more than 100% during the year. We have kept a close watch on rentals which have escalated to alarming heights. In the immediate future they are likely to continue to increase. We should look again at the possibility of buying properties.

51. The lease of the three rented floors in the Swissair building in Avenida Santa Fe expires next year. We shall soon begin exploratory enquiries in relation to the following alternatives: (i) renew the lease (ii) purchase the three floors (iii) seek other rented/bought premises. If we remain where we are, we shall also have to consider such matters as the construction of an internal access stairway to all three floors and the provision of better security.

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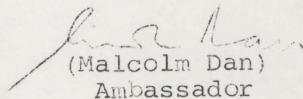
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FOREIGN AFFAIRS

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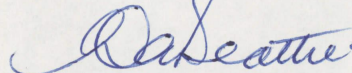
SUBJECT

Annual Review - Buenos Aires

Americas and
FOR.....
New Zealand Branch

Please refer to your minute 226/9/10 of
3 April 1981 requesting comments on the Annual
Review from Buenos Aires.

The Consular and Passports Branch has no
comments to offer on this Review.



(D. A. Beattie)
Consular Section.

FOREIGN AFFAIRS

CONFIDENTIAL

FILE No. 226/9/10

DATE 3 April, 1981.

SUBJECT

ANNUAL REVIEW - BUENOS AIRES

FOR PR BRANCH
EP BRANCH
EO BRANCH
IO BRANCH
IL BRANCH
STE BRANCH
CIP BRANCH
ICR BRANCH

Handwritten notes:
Mr. [unclear] looking [unclear]
Mr. Hall
Mr. Dullman N.L.
by Boyd
Mr. Hardy
Any [unclear]?
R/S [unclear]

→ MR JACKSON (BANZ)

Mr Boyd's comment * is all we have from P.A.

Handwritten: Can Jones 14/4

Attached is a copy of the Buenos Aires' Annual Review March 1980 - March 1981. It should be handled in accordance with the instruction issued by Executive Secretariat.

2. To assist us in preparing a draft reply for the Secretary's signature, we should be grateful for your comments on those parts of the Review relevant to your Branch by Thursday 16 April. Functional Branches are asked to seek comments from other Departments. For deadlines to be met it may be necessary to obtain ^{oral} and comments to be incorporated in the reply with written responses to be forwarded later to the post.

Handwritten: The press handled Mr Hayden's visit well & should be thanked. we are glad the visit proved a benefit to the post.

* SB

Handwritten signature: [unclear]

(P. A. Jackson)
Acting Assistant Secretary,
Americas and New Zealand Branch

CONFIDENTIAL

FOREIGN AFFAIRS

CONFIDENTIAL

FILE No. 720/5/19

DATE 2 July 1981

SUBJECT

REPLY TO BUENOS AIRES ANNUAL REVIEW, MARCH 1980-MARCH 1981

FOR Mr P.A. Jackson,
Head,
Canada and
Caribbean/Latin
America Section

We suggest that the following be incorporated into the Secretary's reply to the Buenos Aires Annual Review:

"We have found the Mission's reporting on nuclear issues useful and would like it to continue at the present level. Particular aspects that we would like reporting to cover include:

- Argentina's drawn-out moves towards ratification and entry into force of the Treaty of Tlatelolco and negotiation of the full-scope IAEA safeguards agreement which it requires.

- negotiation of IAEA safeguards agreements to cover nuclear facilities supplied from abroad and the implementation of such agreements.

- Argentina's indigenously-developed, unsafeguarded nuclear facilities.

- Argentina's regional nuclear supplier role in Latin America.

- Argentina's role as a key co-ordinating country for nuclear matters in the Non-Aligned Movement.

- nuclear supplies to Argentina from the USSR and China.

- Argentina's attitude to post-INFCE institutional arrangements to bolster the international nuclear non-proliferation regime (e.g. international plutonium storage, the IAEA Committee on Assurance of Supply). (We naturally expect that on these specialised topics Vienna will continue to be the primary source of reporting.)

"The Nuclear Non-Proliferation Treaty (NPT) is one of the four cornerstones of Australia's nuclear safeguards policy and we would like to see universal adherence to it. We recognise, however, Argentina's strong opposition to the NPT. We therefore consider that, as a first step, Argentina should be urged to bring into force the Treaty of Tlatelolco, which is the regional initiative providing for a nuclear-weapon-free zone in Latin America, and to which Argentina is a signatory. Together with the full-scope IAEA safeguards agreement required by the Tlatelolco Treaty, this would provide a non-proliferation commitment from Argentina not much less than that undertaken by NPT parties.

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(Since February 1975, of course, all IAEA safeguards agreements have specified peaceful, non-explosive use of nuclear material.)"

J.P. Warren

(J.P. Warren)
Nuclear Policy and
Disarmament Branch

CONFIDENTIAL

FOREIGN AFFAIRS

CONFIDENTIAL

FILE No. 226/9/10

DATE 3 April, 1981.

SUBJECT

ANNUAL REVIEW - BUENOS AIRES

FOR ~~PR BRANCH~~ ✓
~~EP BRANCH~~ ✓
~~EO BRANCH~~ ✓
~~IO BRANCH~~ ✓
~~IL BRANCH~~ ✓
~~STE BRANCH~~ ✓
~~CIP BRANCH~~ ✓
~~ICR BRANCH~~ ✓
 NUC BRANCH

Attached is a copy of the Buenos Aires' Annual Review March 1980 - March 1981. It should be handled in accordance with the instruction issued by Executive Secretariat.

2. To assist us in preparing a draft reply for the Secretary's signature, we should be grateful for your comments on those parts of the Review relevant to your Branch by Thursday 16 April. Functional Branches are asked to seek comments from other Departments. For deadlines to be met it may be necessary to obtain ^{oral} ~~and~~ comments to be incorporated in the reply with written responses to be forwarded later to the post.

MR. JACKSON

Attached is a draft reply to the BA Review. We are still awaiting contributions from Joe Thwaites (IO Branch) and John Warren (Nuc Branch) which will need to be incorporated in the draft.

N.M.

20/5

(P. A. Jackson)
 Acting Assistant Secretary,
 Americas and New Zealand Branch

Isopert
 Thank you.
 Draft has been passed to Executive 4-7/7

Isopert
 No check outstanding replies on above and checks that all other points raised in BA review have been answered. 4-10/6

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Mr. Jackson
 Draft reply attached, including 10+ NPD contributions. Re. 4/7

DEPARTMENT OF FOREIGN AFFAIRS

OUTWARD CABLEGRAM

O.CH923791 DRHA

O.CH923791 1722 24.10.80 UNC

TO.
RR BUENOS AIRES/3872

FM. CANBERRA / FILE 626/11/12 REF O.BA11441

U N C L A S S I F I E D

ANNUAL REVIEW

YOUR NEXT ANNUAL REVIEW IS DUE IN CANBERRA IN MARCH 1981.
SECRETARY'S REPLY TO 1980 ANNUAL REVIEW WILL BE DESPATCHED IN NEXT SH
BAG.

ACTION: DEP FOREIGN AFFAIRS

F. 226/9/10

ACTION: ANZ

JAJ

SEC
FAS(MFS)

DEPSECS

PPU

EX

PA

FAS(EANZ)

FOREIGN AFFAIRS

CONFIDENTIAL

FILE No. 226/9/10

DATE 14 April, 1980

SUBJECT

ANNUAL REVIEW - BUENOS AIRES

FOR..... EP
EO
CIP
IO
DEF
NPD
IOL
ICR
APLOS
STE

Attached are two copies of the Annual Review of Australia's relations with Argentina, Paraguay and Uruguay for the period March 1979 - March 1980.

2. To assist us in preparing a draft reply for the Secretary's consideration, we should be glad to have your comments on those parts of the Review relevant to your area by Friday, 2 May 1980. A suggested allocation of responsibilities is attached. Heads of functional Branches are asked to seek comment from other Departments. For deadlines to be met it may be necessary to obtain oral comments, with written responses to be forwarded later to the Post.

[Handwritten signature]

(D. J. Kingsmill)
Assistant Secretary,
Americas and New Zealand Branch

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ANNUAL REVIEW - BUENOS AIRES

<u>EO</u>	Economic interests	p 2, 4, 5-6
	Energy	p 1
	Civil Aviation	p 2
	Reporting	p 10
<u>EO</u>	UNIDO	p 3
<u>CIP</u>	Indo-Chinese refugees	p 1, 3
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	Consular	p 14
<u>IO</u>	Human Rights	p 1, 4-5
	Non-Aligned Movement	p 2
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	Disarmament	p 3
<u>IOL</u>	Law of the Sea	p 1
	Antarctica	
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<u>APLOS</u>	Administration	p 13
<u>STE</u>	Science and Technology Agreement	p 14

CONFIDENTIAL

FOREIGN AFFAIRS

FILE No..... 626/11/12

DATE 9 April 1980

SUBJECT

ANNUAL REVIEW - BUENOS AIRES

FOR Mr Hoyle
ANZ Branch

.... Attached are nineteen copies of the Annual Review of Australia's relations with Argentina, Paraguay and Uruguay. A memorandum has been sent to the post acknowledging receipt of the Review.

2. I should be grateful if you would circulate the Review to other Branch Heads (two copies each) and seek their comments for incorporation in a draft reply for the Secretary's consideration. APLOS will coordinate a response from MFSD and should receive four copies of the Review. Functional Branch Heads should be asked to seek comments from other Departments.

3. The reply to the Review should be concise - a maximum of four or five pages is desirable. It should address the major issues in the Review, concentrating on policy aspects of our bilateral relationships. Comment on the mission's analysis of our interests in the country concerned should be included, and the reply should also respond to points raised under "Possible Initiatives".

4. In order to eliminate the delay that often results when written contributions are sought from other Departments, I suggest that desk officers preparing replies telephone relevant officers in other Departments to obtain the substance of their comments orally, and to develop a useful dialogue.

5. I should be grateful if a draft reply could be forwarded to this Branch by 20 May, 1980.

(A.D. McLennan)
Acting Assistant Secretary
Executive Secretariat

Mr Litheridge 10/4
Pls let me have a draft note to other relevant branches, as in para 2.
Of this note the specific points that each branch needs to deal with (if this can be easily done).
If replies have not been received by mid-May, we will draft a reply on the basis of what has come in and leave what has not to be sent later by memo.

A. 9/4

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C O N F I D E N T I A L

ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
MARCH 1979 - MARCH 1980

SUMMARY OF AUSTRALIAN INTERESTS

There has been no fundamental change in Australia's major interests in any of the three countries in the past year. We have stated in previous years that relations were trouble free due to the absence of irritants and major differences rather than to increasing perceptions of each other as countries deserving a higher priority of attention. This now needs to be modified slightly. There has been an expressed desire by Argentina to give a greater priority to relations with Australia and to extend and develop the bilateral relationship further. Both Argentina and Uruguay have shown some irritation over critical Australian attitudes at meetings of the UN Commission on Human Rights. But this has not perceptibly affected the genuine and friendly cooperation and goodwill shown to us in regard to our mutual shared interest.

(a) Argentina

(i) our main political interest in Argentina remains the same as in previous years: to develop patterns of bilateral consultation on our shared international interests. This applies mainly to Antarctic and Law of the Sea questions.

(ii) Domestic pressures in Australia and our membership of the United Nations Commission on Human Rights continue to require us to follow developments in the human rights field closely, to make official enquiries and representations from time to time and to maintain contact with local human rights organisations. Nuclear developments are also of interest especially in view of the fact that they are taking place with only IAEA safeguards on foreign technology in individual facilities and without fullscope international safeguards. Argentina's opposition to adhering to the NPT seems very deeply entrenched but it is in our interests to encourage whatever slight signs might exist that they have not completely ruled it out. Argentina's prominent role on the IAEA makes it worthwhile for us to obtain advance information concerning its attitudes on issues coming before the Board of Governors. Argentina's ambitious efforts to develop its resources for other types of energy, particularly hydro-electric power, are also worth following as part of the global energy scene.

(iii) Argentina is the only Latin American country to our knowledge which has taken any significant number of Indo-Chinese refugees. The authorities have shown an interest in drawing upon our knowledge and experience

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of this question. It serves our interests to encourage them, as opportunities occur, to take more than the 1000 families to which they have already committed themselves.

(iv) As a rather incongruous and somewhat hesitant member of the Non-Aligned Movement Argentina can be a source of interesting insights into the workings of this movement, particularly now that Cuba has the chairmanship.

(v) Our shared economic interests in international forums e.g. regarding meat and cereals have become of even greater interest to us than previously because of the great recovery of Argentina's agricultural sector. This interest has been recognised by the appointment as Commercial Counsellor of a commodity specialist from the Department of Overseas Trade rather than a member of the Trade Commissioner Service as previously. It has been further recognised by the impending visit to Australia of the Argentine Secretary of Agriculture as an official guest. Argentina's position in regard to the Cereals boycott of the USSR because of the Afghanistan question is at present of special interest.

(vi) Australia's trade with Argentina continues to increase. It is our largest export market in South America and compares favourably with such markets as Greece, Rumania and Mexico. The balance is very much in our favour and increasingly so. Argentina is showing growing interest in establishing economic and trade relations with Asia as evidenced by President Videla's visit to Japan last year and his intended visit to China next May. This needs careful watching to determine how this might affect our trading and other interests in that area.

(vii) Immigration continues to be a substantial Australian interest in Argentina. There is a high level of enquiries, but owing to the very good employment opportunities here at present for persons with the high degree of skills which we are seeking, the numbers of those departing for Australia have declined.

(viii) From the Argentine side there is a desire to develop and extend the bilateral relationship. This manifests itself in various ways but particularly by the Argentine proposal for a scientific and technical cooperation agreement to which there has so far been no Australian response. Another manifestation is the oft expressed desire for Aerolineas Argentina to start a transpolar service to Sydney en route to Japan; but as far as we know there has not been any formal request for negotiations concerning landing rights.

(ix) There is great scope for information and cultural work but we are hampered by lack of funds and printed materials. We will be hampered further in the future by the abolition of the Third Secretary position.

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(b) and (c) Uruguay and Paraguay

A new dimension will be added to our relations with Uruguay by its recent decision to accede to the Antarctic Treaty. Otherwise our basic interests there and in Paraguay are the same as in previous reviews. On the political side domestic pressures and our membership of the UNCHR require us to follow closely developments in both countries concerning violation of human rights and from time to time to make enquiries or representations. There is little prospect of any change in our trade and immigration interests in the immediate future. But from the trade point of view we need to be aware of the great economic growth of Paraguay owing to the development of its vast hydro-electric resources which might improve our trade prospects in the longer term. If funds and personnel were available there would be considerable scope for information and cultural work in both countries.

AUSTRALIA'S RELATIONS WITH ARGENTINA, URUGUAY AND PARAGUAY

Relations with Argentina continued to be harmonious except for some irritation shown over Australian attitudes at UNCHR 35. We have continued to have discussions with the Argentine Government on a wide range of international issues. Particularly close consultation and cooperation was maintained on Antarctic issues and Law of the Sea but the former was much more active than the latter. Before the UNIDO meeting in Delhi the Foreign Ministry provided us with useful information about Latin American attitudes towards the proposal for converting UNIDO into a Specialised Agency.

Two meetings were held with the Foreign Minister's Special Adviser on Disarmament to discuss Pakistan's nuclear developments. He responded sympathetically and rather positively to our request that Argentina express concern to the Pakistan Government about reports that it may be developing a nuclear bomb capacity. We had close consultations with the Foreign Ministry before the meeting in Geneva last July and subsequently, with a view to encouraging them to accept Indo Chinese refugees. We have also developed a relationship with the regional office of the UN High Commissioner for Refugees as a source of information about South American attitudes to this question.

Discussions on nuclear and non-proliferation matters have become more frequent and extensive. We have begun a dialogue with the Argentine Atomic Energy Commission about Argentina's role in the IAEA. We have also continued to monitor Argentina's attitudes towards international safeguards policies by regular

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discussions with our diplomatic colleagues; all signs would make it appear that the government is determined not to accept full scope safeguards over its indigenously developed nuclear facilities. We have also begun a dialogue with Argentine authorities about other forms of energy. We continue to receive excellent support for Australian candidatures for office in international organisations. As this is written we still await their decision concerning support for Dr Donovan as Director General of GATT. But our request was received sympathetically.

The appointment of an agricultural economist and commodity specialist as Commercial Counsellor has brought expertise to the development and consolidation of our relations in regard to our common interests in cereals and meat and agriculture generally. The visit to Argentina towards the end of last year by the Chairman of the Australian Wheat Board and a First Assistant Secretary from the Department of Overseas Trade for a meeting of the four major wheat exporting countries (U.S., Canada, Argentina, Australia) and the impending visit to Australia of the Argentine Secretary of Agriculture and Livestock are also positive developments.

As opportunities have arisen we have expressed our concern at various levels about human rights problems in Argentina. This is the most delicate area in our relations. The Argentines are extremely sensitive on these questions, and the problem is to get our views across or make appropriate enquiries in such a way as to avoid being accused of interfering in Argentina's internal affairs. We have regrettably been unable to make any progress in getting Ana Maria Mohaded to Australia. The Foreign Ministry has not responded to our requests for information about the progress of her case before the courts but we have been able to obtain information from the representative of the International Red Cross.

After UNCHR 35 we heard indirectly that the Foreign Ministry was annoyed by what it considered excessive zeal by the Australian delegation in conjunction with the Canadian delegation in regard to resolutions about "the disappearances". We also learned this directly in a dialogue we had before UNCHR 36.

Argentina has shown interest in expanding the scope of the bilateral relationship. This is best indicated by initiative in proposing a scientific and technical cooperation agreement. The graduating class of Air Force cadets visited Australia last December as part of a wider tour to several countries. Requests have been made for purchases of military equipment

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and for military training but we have done nothing to encourage this. Australia also becomes more important to Argentina because of their desire to have trans polar flights by Aerolineas Argentina to Japan with Sydney as the important stop.

Relations with Uruguay

On the political side our relations have centred on human rights questions. As the result of domestic pressures in Australia we have made enquiries about a number of cases but with little result. The Uruguayan Government invited Heads of Mission to inspect conditions in the two prisons exclusively for persons accused of or convicted of subversion or terrorist activities. The Ambassador took part in this visit.

We have made a number of requests for support for Australian candidatures with reasonable success. Although no commitment has yet been given, the response was very sympathetic concerning Dr Donovan as Director General of GATT.

This year there will be a referendum for a new Constitution which will mark the beginning of the very slow return to democracy. But this is unlikely to have any significant impact on relations between our two countries. We have continued our normal immigration activities in Uruguay but there is little potential for growth in the number of applicants accepted.

Relations with Paraguay

Our relations with Paraguay have continued to be minimal and of little significance. The Ambassador has continued to visit there for representational reasons on National Days and for the purpose of keeping up to date with developments in regard to human rights which come under discussion in UNCHR.

TRADE AND TRADE RELATIONS.

Australia's trade with Argentina, Uruguay and Paraguay continued to increase. In 1978/79 Australia's exports to Argentina were \$45.6 m. and the indications are that exports in 1979/80 will be substantially higher. Argentina is Australia's largest export market in South America and compares favourably to markets such as Greece, Rumania and Mexico. Argentine exports to Australia in 1978/79 only amounted to \$3.8 m. a decrease of almost \$1.0 m. over the previous year. Australia's exports to Uruguay and Paraguay are increasing, but remain small. In 1978/79 exports to Uruguay were \$2.0 m. and \$159,000 to Paraguay.

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Trade relations with the three countries covered by this post are good. While trade with Uruguay and Paraguay is more or less in balance, there is and will continue to be a substantial imbalance of trade between Australia and Argentina. Prospects for Argentina to significantly increase her export to Australia in the foreseeable future are not promising. High rates of inflation have resulted in many of Argentina's non agricultural industries becoming uncompetitive on world markets.

On the other hand, the Argentine market offers reasonably good prospects for a wide range of Australian products. Imports from all sources into Argentina have increased significantly over the last 18 months (the total value of imports for 1979 in US dollar terms were twice that for 1978). While traditional export items like aluminium and mineral sands and steel again dominated Australia's trade to this region, new business has been completed by a number of Australian exporters in the last 12 months covering a wide range of products, such as milk powder, solar water heating units, pasture seeds, medical equipment, motor vehicle components and asbestos.

Somisa, the government-owned steel mill in Argentina, has ordered two trial shipments of coking coal from Australia - the quantities involved are around 70,000 tonnes. Somisa is anxious to diversify her coal requirements away from traditional sources in the USA and Poland, and prospects for a long-term contract with Australia to supply 200,000 to 300,000 tonnes per year remain good. Imports of Australian designed and made cane harvesting equipment have recommenced, after a break of two years.

With a change over in Commercial Counsellors in September 1979, there has been a shift in the emphasis of the post's trade activities. As both Australia and Argentina are major exporters of agricultural products there is scope of increased reporting and related work in this area, and increased importance is being placed on this type of activity.

As with other sections of this post, the Trade Commissioner's office has suffered cuts in the number of Australian based and locally engaged staff in the past 12 months. The effects of these measures has been to reduce the effectiveness and involvement by some of the Trade Commissioner's activities particularly in the trade promotion area.

IMMIGRATION

(a) Migrant Entry

Buenos Aires is responsible for the selection of migrants in Argentina, Uruguay, Paraguay and Brazil.

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It is also responsible for the issue of temporary entry visas to applicants who live in the first three named countries. The two posts in Brazil (Brasilia and Rio) handle applications for those seeking temporary entry as visitors or for business purposes.

There is still a great deal of interest in migration from persons living in Argentina and Uruguay. Nationals of those countries form a preponderance of South American migrants in Australia. From January 1974 until 30.6.79, according to statistics of the Department of Immigration and Ethnic Affairs, 5203 persons from Argentina and 6013 from Uruguay arrived in Australia. From 1.7.79 until 30.9.79, the latest date for which figures are available, settler arrivals from the two countries were:

from Argentina	160
from Uruguay	80

Before January 1974 settlers from South America were grouped under the heading "Other America".

Due to a relatively high and continuing level of unemployment in Australia, and to a lessening of demand for workers in the semi and unskilled sections of the Australian work force, which jobs have been traditionally carried out by migrant labour, the approval rate in the countries covered by this post has shown a decrease in recent years. There are few signs of improvement in this regard. There is ample scope for the selection of skilled workers, mainly in the metal and electrical trades, but the high standards required of applicants in these occupations, combined with the fact that such skilled workers are in demand in the home countries and can command relatively high wages as a result, means that the "push factors" are missing. This is also true in other countries from which migrants are drawn.

As mentioned in the last annual review, one of the problems facing approved migrants from Latin America generally, is the absence of any direct air services between the two countries and the lack of reasonably priced fares such as are enjoyed by persons living in Britain, Europe or the USA. In consequence normal IATA tariffs apply. Therefore, the majority of assisted migrants, whose fares are partly subsidised by the Commonwealth, find it in their interest to travel the long way from Buenos Aires to Vancouver (Canada) thence across the Pacific. Hopes for special fare to be introduced as a result of joint action by Australia's national airline and another carrier have not, as yet, produced positive results. Another problem facing migrants is the lack of capacity on the only air service which at least starts off by heading

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towards Australia from Santiago (Chile) to Papeete and alternatively to Nadi. This is carried out with ageing first generation jet aircraft although it is possible to interline to wide bodied aircraft in both ports. The problem is to obtain seats out of Santiago.

During the calendar year 1979 a total of 10,334 first enquiries was received from persons expressing interest in migrating from Argentina, Uruguay and Brazil. The figures from Paraguay, which are a negligible quantity, were only 16. In total applications covering 6446 persons were received but of these only 1046 persons were approved because of stringent selection procedures. At the end of 1979 cases representing 967 persons were awaiting approval as migrants and another 410 already approved were awaiting visa issue.

(b) Temporary Entry

Temporary entry work, in keeping with the general trend in all overseas countries, showed an increase in 1979 compared with the previous year. Excluding Brazil, where as already mentioned this part of our work is handled by the two posts at Brasilia and Rio, there were applications from 1454 persons and of these, 1333 were approved. It is evident that there is an increasing number of prosperous Argentine nationals taking advantage of world package tours to make short visits to Australia en route to or returning from Asian countries. These applications are handled as expeditiously as possible. One of the problems encountered in this region is the tourist applicant with ulterior motives who is not bona fide and seeks to travel to Australia and remain there by obtaining resident status. Some of these have previously been rejected for settler entry. Others, prompted by agents, believe they would also be refused migrant visas and then seek to enter through the back door. The over-stayed visitor is a great problem to the Department of Immigration and Ethnic Affairs and those from South America feature prominently in the computer printouts now available. The over-stay rate from all countries is only 3%, but from Uruguay it is 13% and from Argentina 7%. One year ago the comparable figures were 17% and 8% respectively. Steps will continue to be taken to reduce these figures to manageable proportions.

(c) Residual Chileans

Chileans who are in Argentina but have been refused resident status in this country have been described by the UNHCR as having refugee status. A number of countries, including Australia, have agreed to accept some of these people who in April 1979 numbered only 113 cases altogether. Australia agreed to accept under certain conditions up to 50 cases but only 39 could be

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found by the UNHCR for presentation to Australian selection teams. Of these 10 cases were approved for entry but most decided voluntarily on re-settlement in various European countries. At the most only about 4 cases now look like being settled in Australia. The Chilean "refugee" problem in Argentina has been largely overstated in recent years. Some of these people have returned of their own volition to Chile

(d) Staffing

The Migration Section is presently staffed by a Chief Migration Officer, three Migration Officers, a Medical Director, a Liaison Officer and a Technical Adviser. The three last named officers have responsibilities in their respective fields in Chile and the Andean countries as well as in the four countries serviced from Buenos Aires. The present establishment for locally engaged staff provides for ten positions two of which are engaged on assisting the Medical Director and Technical Adviser. Some of their duties are thus related to migration work in countries outside the ambit of this office.

A Biennial Review of Australia based staff is presently being conducted by the Department of Immigration and Ethnic Affairs. Concurrently with this is a review of the LES, the responsibility of the Department of Foreign Affairs, which sent a three man delegation to Argentina (and to other countries in this region) in October last to determine staffing needs. The result of both studies is now being awaited.

POST ACTIVITIES

REPORTING

1. Argentina

Reporting on internal political developments is done by memorandum, monthly savingrams and the occasional reflective Dispatch by the Ambassador. There are seldom any developments of immediate enough interest to warrant reporting by telegram. Except in regard to human rights matters, where we have considered it necessary to report in considerable detail, we have tended to concentrate on broad trends. Major developments which have engaged our attention in the period under review have been the abortive revolt by General Menendez, a resurgence of terrorism by small groups of Montonero assassins, the promulgation of the long awaited law for the reform of the Trade Unions and the blueprint for the development of the Political Process. In the foreign policy field we have concentrated on Argentina's membership of the Non Aligned Movement; Relations with the United States, Relations with Brazil and Paraguay in the context

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of the sharing of the waters of the River Parana and more recently the Argentine attitude to the cereals embargo against the USSR. There was little to report on concerning the Beagle Channel dispute compared with previous years; little news was released about the progress of the Papal mediation.

In the economic field we have tried to make our quarterly economic savingrams more analytical with particular emphasis on efforts to combat inflation and plans for lowering tariffs. And the Ambassador has written two economic Dispatches - one giving a broad historical background to Argentina's economic problems and another broadly reviewing the economic policies of the present government.

Commodity reporting is done by the Commercial Counsellor who furnishes copies to the Foreign Affairs staff.

We have also tried to extend the range and depth of our reporting on nuclear matters and on energy questions generally. A recent Dispatch described Argentina's plans for energy production until the year 2000.

2. Uruguay

Apart from human rights questions, which are usually dealt with by memorandum, reporting is done by periodic savingram. However the Ambassador recently wrote a Dispatch about the transformation of Uruguay in recent years from a robust democracy to a repressive military-dominated State. With plans for a referendum this year to approve a new Constitution as the beginning of a slow return to democracy there should be more to engage our attention in future.

3. Paraguay

Apart from human rights questions there is little to report on from month to month concerning a stable country which has had the same President for 27 years. But the Ambassador wrote a broad Dispatch describing some of the signs - still rather faint - of coming political change.

INFORMATION ACTIVITIES

The Post's information work was at a slightly increased level over the previous year in terms of public speaking engagements and the number of television appearances and radio interviews. We have been helping to make arrangements for a visit to Australia of a two-man team from one of the most important television channels in Argentina. This has not yet been finalised but there are good prospects that it will take place.

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11.

The aboriginal arts and the portable information exhibition, usually accompanied by an evening of films and a talk by an Embassy officer, travelled less in Argentina than in 1978. However, we had our first major information exercise in Uruguay. A showing of the Australian film "Storm Boy", a lecture by the Ambassador, an afternoon of Australian sports films and an exhibition of Australian books constituted "Australia Week" in Montevideo.

The Aboriginal Arts Council has now sent us a further collection of artifacts which will enable us to expand the exhibition considerably.

The paucity of Spanish language material is a continuing problem. The abolition of the position of Third Secretary at the Post will also make it difficult for us to devote as much time to information work in future.

CULTURAL ACTIVITIES

The year was particularly notable for sporting visits. The highlight was the first ever tour of Argentina by the "Wallabies" Rugby Union Team. Over a period of a month they played a total of seven matches, three of which were in the cities of Salta, Mendoza and Rosario. This undoubtedly created greater sustained publicity for Australia than ever before. The exemplary behaviour of the players was very favourably commented upon. This visit was of course not under the sponsorship of the Australian Government, but the Embassy was able to assist in many ways and to derive considerable benefit from the tour. The Ambassador accompanied the team to the provinces and by his close association with the team was able to widen the Embassy contacts. A polo team from the Canberra district visited Buenos Aires. We arranged a match for them with the San Martin Grenadiers - the President's bodyguard. We also helped in various other ways.

The Embassy arranged a very successful showing of "Storm Boy" in Buenos Aires to an audience of some 300-350 people. The showing at the Residence of 16 MM feature films on the new circuit began during the summer when many of the relevant people were on vacation and the audiences were therefore somewhat disappointing. But this system should prove to be a great success from now on. We also reached agreement with the major Argentine distributors of Australian commercial films to hold an "Australian film festival" in Buenos Aires in the near future.

A film distributor in Montevideo who had purchased a number of commercial films organised a week of Australian films in a commercial cinema. The Ambassador launched this by giving a press conference about Australian films.

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C O N F I D E N T I A L

C O N F I D E N T I A L

12.

The Sydney String Quartet gave very successful performances in Buenos Aires and Montevideo. As distinct from their tour in 1976 they were not sponsored by the government. However, it was the reputation which they acquired when under Australian sponsorship that led an entrepreneur to bring them back.

By associating ourselves with both the release of commercial films and the Sydney String Quartet we have sought to maximise their favourable projection of Australian culture.

As in the case of our information activities, our cultural activities will henceforth be more difficult because of the abolition of the Third Secretary position.

TRAVEL

The Ambassador and other diplomatic officers made a number of visits to Uruguay for various reasons, e.g. for Australian film events, to request Uruguayan support for Australian candidatures, for National Day, to seek information about human rights cases and to inspect prisons where political detainees are held.

The Ambassador was the only member of the Embassy to visit Paraguay. The most notable occasion was to attend the 25 Anniversary of President Stroessner's Presidency.

A considerable amount of travel within Argentina was done by the Ambassador, notably to Patagonia and Tierra del Fuego, and to Salta, Mendoza and Rosario with the "Wallabies" Rugby Union Team.

On some occasions the Ambassador was accompanied by the Third Secretary. The First and Third Secretaries also visited a wide range of provincial capitals and rural areas, including for the first time nuclear installations. In some cases the visits included the exhibition of the aboriginal arts and the photographic exhibition. In most cases the visits were given wide coverage in the provincial press which provided good publicity for Australia. With the loss of the Third Secretary position the amount of travel will inevitably decrease.

CONFERENCES

The First Secretary went as an observer to the OAS Annual Assembly held in La Paz, Bolivia. The Commercial Counsellor was on the Australian delegation at a meeting of the four major wheat exporters held in Mar del Plata.

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C O N F I D E N T I A L

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13.

ADMINISTRATION

The Post has continued to operate against a background of the world's highest inflation rate. Argentina's official rate of inflation was 139.7% for 1979. The economic situation remained unpredictable in many respects and the Embassy continued to experience considerable difficulty with budgeting and estimating.

The cost of living has continued to increase in hard currency terms. The system for Interim adjustment of Local Allowances which was introduced following the September 1978 PSB Inspection has to some extent protected officers but we believe that the system is still too slow and cumbersome in a hyper inflationary situation.

Despite some locally engaged and A-based staff reductions during the period under review operating costs have continued to increase alarmingly. This is because the exchange rate continues to be held at an artificially low level.

The Post Establishment Review Visit team who visited in October 1979 took note of the high operating costs for this post and it is anticipated that further staff reductions will be made in the short term.

We have continued to monitor rentals and keep the Overseas Operations Bureau informed of inflationary pressures on the rental market. Rents have continued to increase as demand exceeds supply and for this reason it was heartening that funds were made available in April 1979 for the purchase of a Group "D" apartment. The total cost, including renovations and furnishing amounted to \$A190,000. The current market value of the apartment is estimated at \$A300,000.

The volume of Consular Activity has remained constant although we have fortunately been spared any cases of a highly complicated or delicate nature. There are presently 105 Australians registered with the Embassy and 39 passports were issued during the year ended 29 February 1980. On average four Australians per week seek consular assistance or guidance of some kind. There is a trend, which we expect to continue, for many Argentine Immigrants to return either temporarily or permanently to Argentina. A great many of the problems coming to our attention thus involve dual nationality.

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C O N F I D E N T I A L

14.

REVIEW OF INITIATIVES PROPOSED IN PREVIOUS
REVIEW

We feel we have largely achieved what we intended to do:

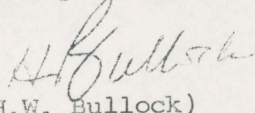
- (i) a number of broad, reflective Dispatches have been written by the Ambassador.
- (ii) The FAOs have broadened the range of their contacts with Argentine authorities, particularly with the International Economic Organisations Branch of the MFA and the Energy Secretariat of the Economy Ministry.
- (iii) We increased our information and cultural activities in Uruguay but not noticeably so elsewhere.
- (iv) By hosting functions and otherwise associating ourselves with the Wallabies tour, the Sydney String Quartet and the commercial showing of Australian films we have managed to further the Embassy's interests in the cultural area.

PROPOSED INITIATIVES

In the area of ongoing political reporting, some areas will probably assume importance this year: the resolution of the Beagle Channel Dispute with Chile; the improving climate of economic cooperation between Argentina and Brazil; the economic growth of Paraguay; the reduction of inflation; development of the political process in Argentina; the President's visit to China and greater Argentine interest in trade opportunities in South East Asia; the Indo-Chinese refugee program; the impact of the report of the OAS Inter-American Human Rights Commission on Argentina; the constitutional referendum in Uruguay.

We should try to be in a position to give some official reaction, if only preliminary, to the Argentine proposal for an agreement on Science and Technology.

The Review is being written just before I leave the Post. It is probably inappropriate that I should at this late stage be recommending any initiatives which would commit my successor. In any case after 3½ years I have run out of ideas. I leave it for my successor to bring a fresh mind to these questions.


(H.W. Bullock)
Ambassador

C O N F I D E N T I A L

EMBAJADA DE AUSTRALIA
Buenos Aires,
Secretario de la
"MESA DE LOS MIERCOLES"

Buenos Aires, 19 de febrero 1980

Estimado Colega y amigo:

Tengo el agrado de informarle que el próximo almuerzo de la Mesa se efectuará el día miércoles 5 de marzo a las 12:45 horas en el Club Americano: Viamonte 1133, 7º piso.

A fin de facilitar la reserva de los cubiertos para el almuerzo, mucho le agradecería me conteste oportunamente (32-6841/8, Señorita Katie), a más tardar el día viernes 29 de febrero próximo para confirmar su asistencia.

Hago propicia esta oportunidad para saludar a Usted con mi más distinguida consideración.

(Peter Steele)

Secretario

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EVCSA BRANCH

→ F:226/9/10.

626/11/12

3 October 1979

Thank you for your thoughtful Review of Australia's relations with Argentina, Uruguay and Paraguay during 1978/79. I should like to note at the outset that we have much appreciated your reporting on developments in all three countries and, in general, consider that its extent and scope have been appropriate for our needs.

We agree that Australia's major political interest in Argentina continues to be to encourage habits of cooperation and consultation on international matters of common concern. In this respect we were pleased to see the continuation of consultations on United Nations matters, Antarctica, and Law of the Sea matters. We have also noted the particularly close consultations that have taken place between Australia and Argentina, as southern hemisphere claimant states, at the formal and informal negotiations on the Convention for the Conservation of Antarctic Marine Living Resources.

The Argentine Government's plans for a return to democratic government and its policies on human rights remain topics of continuing interest to us and we should like your present approach to continue. We have been particularly appreciative of your frequent, detailed reports on developments in the human rights area and have been pleased to see your development of contacts with representatives of Argentine human rights organisations. We have been encouraged to note recent improvements in Argentina with regard to human rights, including Argentina's acceptance of a visit on 6 September by the Inter-American Commission on Human Rights, its publication on 30 June of figures for detainees held under the Executive Power, and the introduction of a new law which perhaps goes some way towards resolving legal and administrative difficulties faced by the families of persons who have disappeared.

We are aware, however, that no explanation has yet been given of the fate of persons who have disappeared, nor of the circumstances of their disappearance, and we realise that the visit of the Commission might in itself be only a temporary stimulus to change. We look forward to your reports on the visit and your assessment in due course of its effect on long-term changes in Argentina's human rights policy. We are disappointed that no progress has been made towards obtaining Ana Maria Mohaded's release, but appreciated your efforts and hope that

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You will continue to pursue the case through your official contacts. We have also been encouraged by your reports of an improvement in the situation of Jehovah's Witnesses. Perhaps as a reflection of this improvement the number of Ministerial representations on this subject has declined in the past few months.

You should continue, as appropriate opportunities arise, to express to senior Argentines the Australian Government's concern over the human rights situation in Argentina. The same applies to Uruguay.

We were pleased to see that the mediation of the Pope's personal envoy, Cardinal Samore, seems to have improved, at least temporarily, relations between Argentina and Chile over the Beagle Channel question. We should appreciate your continued reporting on the dispute, but we would, of course, not wish to become directly involved in any way. We would also be glad to have an up-to-date assessment of Argentine relations with Brazil with particular attention to the hydro-electric projects on the Parana River.

Detailed reporting on Argentina's nuclear program is of considerable and continuing interest to the Department. Australia does not, as suggested in the Annual Review, object to Argentina's efforts to obtain self-sufficiency in the nuclear fuel cycle. We are, however, particularly concerned that this is taking place in the absence of a binding commitment to non-proliferation on the part of the Argentine Government and outside the scope of international safeguards arrangements. We continue to be interested in reports on Argentina's attitudes to non-proliferation. There are some welcome signs that it has not entirely ruled out a commitment to non-proliferation measures (separate from the Treaty of Tlatelolco) in the future, and we would wish to encourage moves in this direction. Argentina takes a prominent role in the IAEA, and reporting on its attitudes to issues coming before the Board of Governors would be of value to us in preparing briefing for Australian delegations to IAEA meetings.

You will be aware of our continuing concern with the problem of Indo-Chinese refugees and will have noted that in the Latin American Heads of Mission meeting on 28 March 1979 we raised the possibility of Latin American countries accepting Indo-Chinese refugees. We therefore welcomed Argentina's offer at the Geneva meeting in July to take a total of 1,000 families (3-4,000 people). We should appreciate reports on any further response - or lack of it - by the countries in your area of responsibility to the UNHCR appeals.

The recent Havana Conference has once again brought the Non Aligned Movement into prominence and as Argentina is a somewhat awkward bedfellow of the other members, we remain interested in its attitude to the grouping. We should be glad to receive more reports on Argentina's relations with the Movement.

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In recent months the issues of the sale of military equipment to Argentina and defence-related visits to Australia, including requests for training, have arisen. We have approached these questions on a case by case basis and have been guided by the view that we do not want to encourage the Argentines to believe that we have any strong common defence interests (other than perhaps in Antarctica), and that we do not wish to be seen as an alternative to the United States for equipment or assistance denied by that country on human rights grounds. We have also taken the view that any military assistance or sales to Argentina should also, in principle, be made available to Chile.

In relation to the Argentine request for two naval officers to be seconded to the "Melbourne" to observe night landings of Skyhawk and Tracker aircraft, the Department of Defence is ascertaining if an opportunity might be available for this early next year. It will depend upon the mix of aircraft the Melbourne will carry. Similarly the Department of Defence is considering the type of assistance it might provide to the Argentine Airforce Academy cadets when they visit Australia in December this year.

We agree that the major focus of your reporting on Paraguay and Uruguay should continue to be human rights. However, we should also appreciate a little more reporting on the evolution of the political process in Uruguay, with particular attention to the nature and development of the political parties and the trade unions.

The efforts undertaken by the mission in seeking Argentine support for Australian candidatures to various international bodies is appreciated. We have also endeavoured (through Backgrounders, and other publications, as well as occasionally by cable) to keep posts, including Buenos Aires, advised of the outcome of our candidatures for such bodies.

As for Argentine requests for Australian support, we have also attempted to keep the mission advised (as, for example, in O.CH844754 of 6 September 1979). It is, however, not always possible to provide advance information of our voting pattern - often the decision is finally taken by the Australian delegation on the spot. This can occur as a result of a number of common factors: a confused and changing field of candidates (e.g. ECOSOC); the election of candidates on their technical qualifications by their peers, where this Department will not intervene in the choice of an expert Australian delegation unless there are major political problems involved (e.g. ITU, UPU); or election on the basis of personal qualifications by representatives also thus elected (i.e. not as representatives of a country - WMO).

The standard of economic reporting from Buenos Aires has been of a consistently satisfactory standard. As advised recently, the quarterly economic reports are comprehensive and broadly meet the Department's requirements. We are pleased with the coverage of individual economic topics, particularly in response to specific enquiries, and we look forward to your continuing coverage of the Argentine Government's anti-inflationary

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strategy, and efforts to revive its economy.

While the Department of Trade and Resources had no specific comments on the Review, we were pleased to note that 1977/78 was a record year for Australian exports to Argentina. In view of your comment that the range of Australian exports is unlikely to expand in the short term, it seems appropriate that the focus of the Embassy in trade work should move more toward commodity matters. We assume that you see reports prepared by the Trade Commissioner.

We are aware, as you suggest, that there is renewed interest by Argentina in a transpolar commercial air route. The Argentine Ambassador raised the question with Mr Parkinson in June and was advised that Australia's civil aviation authorities felt that there would not yet be a sufficient volume of traffic for the route to be commercially viable. However, Mr Parkinson encouraged the Ambassador to approach officials in the Department of Transport to discuss the technical aspects of the matter.

We have noted and broadly agree with your view that the area for which your post has immigration responsibilities continues to be a significant migrant source for Australia. With reference to the difficulties caused to migrants by the high cost of air fares to Australia, there is no likelihood of direct air services being introduced between Australia and South American capitals for the time being, for reasons with which you will be familiar. In the absence of such services there are bound to be difficulties and inconveniences, but a number of recent and future developments may help to alleviate the unsatisfactory situation to which you referred. The Government has recently approved, for instance, revised air fares for travel on services between Australia and Tahiti and Australia and Fiji, to take effect on 1 October 1979. While the question of fares between Tahiti and South America is primarily a matter for the French and the South American authorities concerned, the Department of Transport is currently examining the possibility of new fares for travel between Tahiti and Santiago that could be sold in combination with the new Australia-Tahiti fares. Discussions are to be held shortly with Lan Chile on this matter. Any final decisions in this regard will of course depend on the agreement of the Governments directly concerned.

In addition, we are aware of discussions currently taking place between governments and airlines in the Pacific region which could result in benefits for travellers between Australia and South America, particularly with regard to services out of Tahiti. We heard recently that Fiji is pressing for the establishment of joint Air Pacific/UTA Services between Tahiti and Fiji, which would no doubt help to overcome the bottleneck presently being experienced at Papeete.

We are unaware of any specific proposals for new arrangements between Qantas and United States airlines, but Qantas has of course had for some years commercial interline agreements with a number of United States and South American airlines which operate between the United States and South America.

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With regard to consular matters, we are pleased that you appear to have no particular problems. We were, however, interested to note your comment that many consular cases now involved dual nationality. Dual nationality remains a problem for us in our bilateral relations with a number of countries and the Department is giving renewed consideration to this matter. We shall be following up this question with you separately.

Despite the restraints on funds, every effort is being made to provide your mission, and other posts in South America, with reasonable supplies of Spanish-language publications. A Spanish edition of the Australia Handbook will be available shortly and 1,000 copies have been allocated to the mission.

New Spanish versions of the Reference Papers - Australia - An Introduction, Education in Australia and Sport in Australia - have been published in Mexico as part of the local publications program and revision of further titles, together with Fact Sheets, is planned in 1979/80. It is also proposed to reprint the Australia Information Folder, which has colour illustrations, in the new financial year. A Spanish-language Newsletter is under consideration.

AIS was pleased to sponsor the successful visit by the Argentina Videoshow television team in November 1978, providing a per diem allowance for a two-man crew for nine days, internal air fares and ground transport, and also assisting with the team's itinerary.

Publicity support was provided for the 1979 visit to Argentina and other South American countries of the Sydney String Quartet in June/July 1979 and will also be provided for the visit to Argentina by an Australian Rugby Union team later this year.

On administrative matters, I am pleased to see that the post is coping satisfactorily within the LES sub-ceiling of 26, despite the difficulties and an increased workload caused by inflation. As you will be aware, your mission is shortly to be visited by an establishment review team during October/November. The First Assistant Secretary (M & FSD) has written to inform you of the arrangements. The visit is to be combined with an Internal Audit.

I believe that increase in the level of your imprest by \$20,000 this financial year will also help to ease the post's inflation-inspired expenditure problems.

I am glad that you were recently able to acquire an apartment for a group "D" officer. However, you should know that the Overseas Operations Branch expect to have very limited funds available for property acquisition in 1979/80. Given funds limitations, and taking account of global priorities, it is unlikely that we can purchase any property in Buenos Aires in the next financial year. Should the circumstances change, your needs will of course be reviewed in the light of funds availability.

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In conclusion I should like to thank you and your staff for your efforts over the past year.

H.E. Mr H.W. Bullock
Ambassador
Australian Embassy
BUENOS AIRES.

(P.G.F. Henderson)

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FOREIGN AFFAIRS

AUSTRALIAN DEVELOPMENT ASSISTANCE BUREAU

→ 226/9/10

FILE No. 79/0656

DATE 31 May 1979

SUBJECT

BUENOS AIRES : ANNUAL POST REVIEW

~~FOR MR. GATE~~
~~AS/AMERICAS AND~~
~~NEW ZEALAND BRANCH,~~
~~DFA~~

M. Williams
M. P.

The Bureau has no comment to make on the Post Review for Buenos Aires which you sent to us on 25 May (File No. 226/9/10).

Alwast
(A. Alwast)
Program Planning and
Development Section

FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 25 May, 1979

SUBJECT

BUENOS AIRES.: ANNUAL POST REVIEW

FOR.....

Adviser on STE
Program, Planning
and Review Branch,
ADAB

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Attached is a copy of the Annual Post Review from Buenos Aires.

2. To assist us in preparing a draft reply for the Secretary's signature, we would be grateful for any comments you might have by 22 June 1979, to enable us to meet the deadline set by the Executive Secretariat.

3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976 and 65/78 of 1976.

R. K. Gate

(R. K. Gate)

Assistant Secretary,
Americas and New Zealand Branch

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→ F: ~~265/9/2~~ 226/9/2

22 May 1979.

626/11/12

**1979 ANNUAL REVIEW: ARGENTINA/PARAGUAY/
URUGUAY**

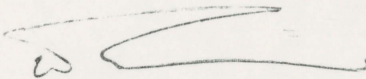
MR Gote

Assistant Secretary, ANZ Branch Attached are copies of the Annual Review of Australia's relations with **Argentina, Paraguay & Uruguay** for the past year.

2. I should be grateful if you would circulate the Review to other Branch Heads (two copies each) and invite their comments for incorporation in a draft reply for the Secretary's consideration. APLOS will coordinate a response from MFSD and should receive four copies of the Review. Functional Branch Heads should be asked to seek comments from other Departments.

3. A memorandum has been sent to the post acknowledging receipt of the Review.

4. I should be grateful if a draft reply could be forwarded to this Branch by **3 July 1979.**


(A.D. Brown)
Assistant Secretary
Executive Secretariat

CONFIDENTIAL

226/9/10

CONFIDENTIAL

My dear Ambassador,

Thank you for your thoughtful Review of Australia's relations with Argentina, Uruguay and Paraguay during 1978/79. I should like to note at the outset that we have appreciated your continued high standard of reporting on developments in all three countries and would generally support the direction your reporting has been taking to date.

We would agree that Australia's major political interest in Argentina continues to be to encourage habits of cooperation and consultation with Argentina on international matters of common concern. In this respect we were pleased to see the continuation of consultations on Antarctica, United Nations and Law of the Sea matters. We have also noted the particularly close consultations that have taken place between Australia and Argentina, as southern hemisphere claimant states, at the formal and informal negotiations on the Convention for the Conservation of Antarctic Marine Living Resources.

Human rights remains a topic of continuing interest to us and we should like your present approach to continue. We have been particularly appreciative of your frequent, detailed reports on internal developments in this area and have been pleased to see your development of contacts with Argentine human rights representatives. We have been encouraged to note recent improvements in Argentina with regard to human rights, notably Argentina's acceptance of a visit on 6 September by the Inter-American Commission on Human Rights, its publication on 30 June of figures for detainees held under the Executive Power and the introduction of a new law on 22 August resolving the uncertain situation of disappeared persons.

However, we are aware that no explanation has yet been given of the fate of the disappeared persons and we realise that the visit of the Commission might in itself be only a temporary

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stimulus to change. We look forward to your reports on the visit and your assessment in due course of its effect on long-term changes in Argentina's human rights policy. We were disappointed that no progress had been made on obtaining Ms Mhaded's release, but appreciated your efforts and hope that you will continue to pursue the case through your official contacts. We have also been encouraged by your reports of an improvement in the situation of Jehovah's Witnesses. Perhaps as a reflection of this improvement the number of ministerials on this subject has declined in the past few months.

You should continue, at appropriate opportunities, to express to senior Argentinians the Australian Government's concern over the human rights situation in Argentina. The same is true of Uruguay.

We were delighted to see that the mediation of the Pope's personal envoy, Cardinal Samore, seems to have improved, at least temporarily, relations between Argentina and Chile over the Beagle Channel question. We should appreciate your continued reporting on the dispute but we would, of course, not wish to become directly involved in any way. We would also be glad to have an up-to-date assessment of Argentine relations with Brazil with particular attention to the hydeo-electric projects on the Parana River.

The detailed reporting on Argentina's nuclear program is of considerable interest to the Department. Australia does not, as suggested in the Annual Review, object to Argentina's efforts to obtain self-sufficiency in the nuclear fuel cycle. We are, however, particularly concerned that this is taking place in the absence of a binding commitment to non-proliferation and outside of international safeguards. We continue to be interested in reports on Argentina's attitudes to non-proliferation. There are some signs that it has not entirely ruled out a commitment to non-proliferation measures (separate from the Treaty of Tlatelolco) in the future, and we would wish to encourage moves in this direction. Argentina takes a prominent role in the IAEA, and

reporting on its attitudes to issues coming before the Board of Governors would be of use in preparing briefing for the Australian delegations to IAEA meetings.

You will be aware of our continuing concern with the problem of the Indo-Chinese refugees and will have noted that in our Latin American Heads of Mission meeting on 28 March 1979 we raised the possibility of Latin American countries accepting Indo-Chinese refugees. We therefore welcomed Argentina's offer at the Geneva meeting in July to take a total of 1,000 families (2-4,000 people). We should appreciate reports on any further response - or lack of it - by the countries in your area of responsibility to the UNHCR appeals.

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We agree that the major focus of your reporting on Paraguay and Uruguay should continue to be human rights. However, we should also appreciate a little more reporting on the evolution of the political process in Uruguay, with particular attention to the nature and development of the political parties and the trade unions.

Concerning the more specific issues raised in your review, the relevant areas of the Department have provided the following comments:

The efforts undertaken by the mission in seeking Argentine support for Australian candidatures to various international bodies is appreciated. We have also endeavoured (through ~~Bakt~~backgrounder, and other publications, as well as occasionally by cable) to keep posts, including Buenos Aires, advised of the outcome of our candidatures for such bodies.

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As for Argentina requests for Australian support, we have also attempted to keep the mission advised (as, for example, in O.CH844754 of 6 September 1979). It is, however, not always possible to provide advance information of our voting pattern - often the decision is finally taken by the Australian delegation on the spot. This can occur as a result of a number of common factors: a confused and changing field of candidates (e.g. ECOSOC); the election of candidates on their technical qualifications by their peers, where this Department will not intervene in the choice of an expert Australian delegation unless there are major political problems involved (e.g. ITU, UPU); or election on the basis of personal qualifications by representatives also thus elected (i.e. not as representatives of a country - WMO). The standard of economic reporting from Buenos Aires has been of a consistently satisfactory standard. As advised recently, the quarterly economic reports are comprehensive and broadly meet the Department's requirements. We are pleased with the coverage of individual economic topics, particularly in response to specific enquiries, and we look forward to your continuing coverage of the Argentine Government's anti-inflationary strategy, and efforts to revive its economy.

The Department of Trade and Resources has no specific comments in respect of the remarks on Australia's exports to the region. The comments are in line with those received from the Trade Commissioner, Buenos Aires.

With reference to the difficulties caused to migrants by the high cost of air fares to Australia, the question of introducing direct air services between Australia and South American capitals is still, for reasons with which you will be familiar, out of the question at this time. In the absence of such services there are bound to be difficulties and inconveniences but a number of recent and future developments may help to alleviate the unsatisfactory situation to which you referred.

The Government has recently approved, for instance, revised air fares for travel on services between Australia and Tahiti and Australia and Fiji, to take effect on 1 October 1979.

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While the question of fares between Tahiti and South America is primarily a matter for the French authorities and the South American Governments concerned, the Department of Transport is currently examining the possibility of new fares for travel between Tahiti and Santiago that could be sold in combination with the new Australia-Tahiti fares. Discussions are to be held shortly with Lan Chile on this matter. Any final decisions in this regard will of course depend on the agreement of the Governments directly concerned.

In addition, we are aware of discussions currently taking place between Governments and airlines in the Pacific region which could result in benefits for travellers between Australia and South America, particularly with regard to services out of Tahiti. We heard recently that Fiji is pressing for the establishment of joint Air Pacific/UTA Services between Tahiti and Fiji, which would no doubt help to overcome the bottleneck presently being experienced at Papeete.

We are unaware of any specific proposals for new arrangements between QANTAS and American airlines, but QANTAS has of course had for some years commercial interline agreements with a number of United States and South American airlines which operate between the United States and South America.

The Consular Section had no particular comments to offer but was interested to note your comment that many consular problems now involved dual nationality. This question will be followed up with you.

Despite the restraints on funds, every effort is being made to provide the mission and other posts in South America with reasonable supplies of Spanish-language publications. A Spanish edition of Australia Handbook will be available shortly and 1,000 copies have been allocated to the mission.

New Spanish versions of the Reference Papers - Australia - An Introduction, Education in Australia and Sport in Australia Have been published in Mexico as part of the local publications program and revision of further titles, together with Fact Sheets, is planned in 1979-80. It is also proposed to reprint

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226/9/10

CONFIDENTIAL

My dear Ambassador,

Thank you for your thoughtful Review of Australia's relations with Argentina, Uruguay and Paraguay during 1978/79. I should like to note at the outset that we have appreciated your continued high standard of reporting on developments in all three countries and would generally support the direction your reporting has been taking to date.

We would agree that Australia's major political interest in Argentina continues to be to encourage habits of cooperation and consultation with Argentina on international matters of common concern. In this respect we were pleased to see the continuation of consultations on Antarctica, United Nations and Law of the Sea matters. We have also noted the particularly close consultations that have taken place between Australia and Argentina, as southern hemisphere claimant states, at the formal and informal negotiations on the Convention for the Conservation of Antarctic Marine Living Resources.

Human rights remains a topic of continuing interest to us and we should like your present approach to continue. We have been particularly appreciative of your frequent, detailed reports on internal developments in this area and have been pleased to see your development of contacts with Argentine human rights representatives. We have been encouraged to note recent improvements in Argentina with regard to human rights, notably Argentina's acceptance of a visit on 6 September by the Inter-American Commission on Human Rights, its publication on 30 June of figures for detainees held under the Executive Power and the introduction of a new law on 22 August resolving

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the uncertain situation of disappeared persons. We have also been encouraged by your reports of an improvement in the situation of Jehovah's Witnesses. Perhaps as a reflection of this improvement the number of ministerials on this subject has declined in the past few months. However, we are aware that no explanation has yet been given of the fate of the disappeared persons and we realise that the visit of the Commission might in itself be only a temporary stimulus to change. We look forward to your reports on the visit and your assessment in due course of its effect on long-term changes in Argentina's human rights policy. We were disappointed that no progress had been made on obtaining Ms Mohaded's release, but appreciated your efforts and hope that you will continue to pursue the case through your official contacts.

*V. de
Should
continue, at
appropriate
opportunities,
to express
to senior
Argentinians*

We were delighted to see that the mediation of the Pope's personal envoy, Cardinal Samoré, seems to have improved, at least temporarily, relations between Argentina and Chile over the Beagle Channel question. We should appreciate your continued reporting on the dispute but we would, of course, not wish to become directly involved in any way. We would also be glad to have an up-to-date assessment of Argentine relations with Brazil with particular attention to the hydro-electric projects on the Parana River.

*The Ambata
Government's
concern over
the human
rights
situation
in Argentina.
The same is
true of
Uruguay.*

The detailed reporting on Argentina's nuclear program is of considerable interest to the Department. Australia does not, as suggested in the Annual Review, object to Argentina's efforts to obtain self-sufficiency in the nuclear fuel cycle. We are, however, particularly concerned that this is taking place in the absence of a binding commitment to non-proliferation and outside of international safeguards. We continue to be interested in having reporting on Argentina's attitudes to non-proliferation. There are some signs that it has not entirely ruled out a commitment to non-proliferation

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measures (separate from the Treaty of Tlatelolco) in the future, and we would wish to encourage moves in this direction. Argentina takes a prominent role in the IAEA, and reporting on its attitudes to issues coming before the Board of Governors would be of use in preparing briefing for the Australian delegations to IAEA meetings.

You will be aware of our continuing concern with the problem of the Indo-Chinese refugees and will have noted that in our Latin American Heads of Mission meeting on 28 March 1979 we raised the possibility of Latin American countries accepting Indo-Chinese refugees. We therefore welcomed Argentina's offer at the Geneva meeting in July to take a total of 1,000 families (3-4,000 people). We should appreciate reports on any further response - or lack of it - by the countries in your area of responsibility to the UNHCR appeals.

We have noted, as you suggest, that there is renewed interest by Argentina in a transpolar commercial route. The Argentine Ambassador raised the question with Mr Parkinson in June and was advised that Australia's civil aviation authorities felt that there would not yet be a sufficient volume of traffic for the route to be commercially viable. However, Mr Parkinson encouraged the Ambassador to approach officials in the Department of Transport to discuss the technical aspects of the ~~problem~~ *matter*.

We agree that the major focus of your reporting on Paraguay and Uruguay should continue to be human rights. However, we should also appreciate a little more reporting on the evolution of the political process in Uruguay, with particular attention to the nature and development of the political parties and the trade unions.

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Concerning the more specific issues raised in your review, the relevant areas of the Department have provided the following comments.

In view of the problems encountered recently in servicing Argentine Army Helicopters in Australia, you should be aware of the following. In February 1979 Argentina asked Hawker de Havilland Australia to service engines and gear boxes for UH-1H helicopters ('Iroquois) belonging to the Argentine Army. United States and Canadian firms had refused to service the helicopters because of United States restrictions on military assistance to those countries in Latin America which the United States consider violated human rights. Australia had been approached after negotiations with Taiwan broke down.

The Minister for Foreign Affairs decided that Hawker de Havilland should be allowed to overhaul the engines provided a similar offer was made to Chile (which showed no interest). However, in March 1979 the United States Embassy in Canberra advised that the United States objected to the work being done because Hawker de Havilland would be using tooling, test equipment and spare parts of United States origin.

Under the Foreign Military Sales Agreement with the United States, Australia accepts the restrictions on items listed in the United States Munitions List (a list of countries to which the export of United States defence material is prohibited). It was therefore acknowledged that Australia was constrained by United States legislation on arms transfer. As both the RAAF and the RAN are equipped with UH1 series aircraft, logistics support from the United States could also have been adversely affected. In the circumstances Hawker de Havilland cancelled its contract with Argentina. There was no United States Government or Australian Government pressure brought to bear on HDH. The parent companies supplying the parts to HDH (e.g. Bell Helicopters (Australia)), advised HDH that their position

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would be in jeopardy if they supplied the parts requested as they abided by the United States Government's sanctions policy. It was a commercial decision by HDH not to go ahead. The helicopters had not arrived in Australia and it is not known where they are.

We have appreciated the efforts undertaken by the mission in seeking Argentine support for Australian candidatures to various international bodies. ^{is appreciated.} We have also endeavoured (through Background, and other publications, as well as occasionally by cable) to keep posts, including Buenos Aires, advised of the outcome of our candidatures for such bodies.

As for Argentine requests for Australia support, we have also attempted to keep the mission advised (as, for example, in O.CH844754 of 6 September 1979). It is, however, not always possible to provide advance information of our voting pattern - often the decision is finally taken by the Australian delegation on the spot. This can occur as a result of a number of common factors: a confused and changing field of candidates (e.g. ECOSOC); the election of candidates on their technical qualifications by their peers, where this Department will not intervene in the choice of an expert Australian delegation unless there are major political problems involved (e.g. ITU, UPU); or election on the basis of personal qualifications by representatives also thus elected (i.e. not as representatives of a country - WMO)

The standard of economic reporting from Buenos Aires has been of a consistently satisfactory standard. As advised recently, the quarterly economic reports are comprehensive and broadly meet the Department's requirements. We are pleased with the coverage of individual economic topics, particularly in response to specific enquiries, and we look forward to your continuing coverage of the Argentinian Government's anti-inflationary strategy, and efforts to revive its economy.

specific comments in respect of the remarks on Australia's exports to the region. The comments are in line with those received from the Trade Commission, Buenos Aires.
The Department of Trade and Resources has no
National Archives of Australia NAA A1838 226/9/10 PART 2

With reference to the difficulties caused to migrants by the high cost of air fares to Australia, the question of introducing direct air services between Australia and South American capitals is still, for reasons with which you will be familiar, out of the question at this time. In the absence of such services there are bound to be difficulties and inconveniences but a number of recent and future developments may help to alleviate the unsatisfactory situation to which you referred.

The Government has recently approved, for instance, revised air fares for travel on services between Australia and Tahiti and Australia and Fiji, to take effect on 1 October 1979.

While the question of fares between Tahiti and South America is primarily a matter for the French authorities and the South American Governments concerned, the Department of Transport is currently examining the possibility of new fares for travel between Tahiti and ^{Santiago}~~San Diego~~ that could be sold in combination with the new Australia-Tahiti fares. Discussions are to be held shortly with Lan Chile on this matter. Any final decision in this regard will of course depend on the agreement of the Governments directly concerned.

In addition, we are aware of discussions currently taking place between Governments and airlines in the Pacific region which could result in benefits for travellers between Australia and South America, particularly with regard to services out of Tahiti. We heard recently that Fiji is pressing for the establishment of joint Air Pacific/UTA Services between Tahiti and Fiji, which would no doubt help to overcome the bottleneck presently being experienced at Papeete.

We are unaware of any specific proposals for new arrangements between QANTAS and American airlines, but QANTAS has of course had for some years commercial interline agreements with a number of United States and South American airlines which operate between the United States and South America.

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The Consular Section has no particular comments to offer but ^{was} were interested to note your comment that many consular problems now involve dual nationality. This question will be followed up with you.

Despite the restraints on funds, every effort is being made to provide the mission and other posts in South America with reasonable supplies of Spanish-language publications. A Spanish edition of Australia Handbook will be available shortly and 1,000 copies have been allocated to the mission.

New Spanish versions of the Reference Papers - Australia - An Introduction, Education in Australia and Sport in Australia have been published in Mexico as part of the local publications program and revision of further titles, together with Fact Sheets, is planned in 1979-80. It is also proposed to reprint the Australia Information Folder, which has colour illustrations, in the new financial year. A Spanish-language Newsletter is under consideration.

AIS was pleased to sponsor the successful visit by the Argentina Videoshow television team in November 1978, providing a per diem for a two-man crew for nine days, internal air fares and ground transport, and also assisting with the team's itinerary.

Publicity support ^{was} is being provided for the 1979 visits to Argentina and other South American countries of the Sydney String Quartet ^{in June/July 1979} and ^{will also be provided for the} the visit to Argentina by an Australian Rugby Union team. ^{later this year.}

On administrative matters, you appear to be coping satisfactorily within your LES sub-ceiling of 26, despite the difficulties and increased workload brought about by inflation. As you will be aware your mission is shortly to be visited by an establishment review team during October/November. The First Assistant Secretary (M & FSD) has written informing you of the arrangements. ^{is to} It ~~is~~ hoped that the visit will be combined with an Internal Audit.

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I believe that increase in the level of your imprest by \$20,000 this financial year will also help to ease the post's inflation-inspired expenditure problems.

for whom? I am glad that you were recently able to acquire an apartment. *for a group D officer.* However, you should know that the Overseas Operations Branch expect to have very limited funds available for property acquisition in 1979/80. Given funds limitations, and taking account of global priorities, it is unlikely that we can purchase any property in Buenos Aires in the next financial year. Should the circumstances change, your needs will of course be reviewed in the light of funds availability.

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C O N F I D E N T I A L
ANNUAL REVIEW OF AUSTRALIA'S RELATIONS
WITH ARGENTINA, URUGUAY AND PARAGUAY
MARCH 1978 - MARCH 1979

SUMMARY OF AUSTRALIAN INTERESTS

Australia's main interests in Argentina, Uruguay and Paraguay have not changed significantly in the past year. Relations have remained trouble-free due to the absence of irritants or major differences rather than to increasing perceptions of each other as countries deserving a higher priority of attention. Nevertheless where there have been mutual interests at stake, there has been no lack of mutual appreciation of these interests, but genuine and friendly cooperation and goodwill. At many levels there continues to be a real appreciation of mutual shared interests, and the potential for future cooperation.

(a) Argentina

✓ There has been no change in our main political interest viz. developing patterns of bilateral consultation on mutual international interests. Consultation over shared Antarctic and Law of the Sea interests continued to be maintained at a high level. In the human rights area, there is a continuing interest in following internal developments. Where this arises from Australian domestic pressures, we have continued to make appropriate representations. Despite government sensitivity to international criticism of human rights violations in Argentina, we have made such representations without adversely affecting the bilateral relationship, mainly because we have been able to demonstrate a strong Australian interest. We believe it in our interests to continue with this approach.

✓ Argentina's efforts to obtain self-sufficiency in the nuclear fuel cycle runs against the general thrust of Australia's nuclear safeguards and non-proliferation policies and therefore receives regular attention in our reporting. However as Argentina has its own uranium reserves, there is unlikely to be a direct clash in the foreseeable future.

✓ We have closely followed Argentine differences with Chile in the Beagle Channel dispute, without adopting partisan attitudes towards the respective merits of either side.

Trade to contribute.
✓ Our shared economic interests in international forums e.g. regarding meat and wheat, have continued to ensure increasingly close cooperation. Cooperation and consultation in this area are likely to increase. The past year has been a good one for bilateral trade. Although

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1977/78 was a record year for Australia's exports to Argentina (\$A41 million) making it our largest export market in Latin America, an expansion of the range of our exports is unlikely in the short term.

No entry from Spain

The area for which this Embassy has immigration responsibilities (Argentina, Uruguay, Paraguay and Brazil) continues to be the main source of Australia's immigration from Latin America with 1806 settler arrivals for the financial year 1977/78. While the rate of first enquiries for migration has decreased slightly, the figure for settler arrivals from this area still compares favourably with the number of settler arrivals in the same period from the more traditional source countries - Italy, Yugoslavia, Greece, Germany and the Netherlands.

✓ Financial restraints have limited the scope of cultural and information work, but the activities which have taken place have been particularly successful. There is further scope for promotional activities but this has so far been handicapped by a lack of more modern and recent materials e.g. printed material and in particular films.

(b) and (c) Uruguay and Paraguay

✓ Our basic interests in Uruguay and Paraguay remain unchanged from previous reviews. However because the human rights situation in both countries remains under close scrutiny in the confidential procedures of the United Nations Human Rights Commission, there is scope for closer attention to this area of reporting.

✓ There will be little change in our immigration or trade interests in either country in the immediate future. However there is considerable scope for increased information and cultural activities when funds and suitable occasions permit.

AUSTRALIA'S RELATIONS WITH ARGENTINA, URUGUAY AND PARAGUAY

✓ Relations with Argentina during the year continued to be harmonious without any major problems. Discussions with the Argentine Government covered an increasingly wide range of international issues. Close consultation and cooperation was maintained throughout the year on Law of the Sea (e.g. the Continental shelf and Marine Scientific Research) and on Antarctic issues. A review of the files reveals that a significant number of representations were made on behalf of Australian candidatures for positions on United Nations and other international bodies. There are no recorded instances of Argentine

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failure to support Australian candidatures, although there are still some replies outstanding. Argentina tended to seek Australian support for its candidatures either in Canberra or in our mission in New York, and for this reason the outcome was not always known e.g. IMCO, UPU and World Food Council. As the Ministry of Foreign Affairs closely monitors the support which is given and received, and from our records we appear currently to be in their debt, we would appreciate being informed of the outcome when decisions are finally reached.

UN section

Need to check

In the area of human rights, we made representations concerning Argentine government policy towards the Jehovah witnesses, and although Argentine government policy is unlikely to change the Supreme Court has ruled that children of Jehovah Witnesses should not be expelled from schools.

We have received approximately 130 requests for immigration to Australia during the past 12 months from detainees wishing to avail themselves of their constitutional "right of option" to leave the country. Almost all have had no Australian connection (e.g. close relations in Australia), and this together with their being ineligible under normal migration criteria has precluded them from further consideration. We continue to press Argentine authorities on the Ana Maria Mohaded case, but because she no longer is eligible for the "right of option", we are not optimistic about her release from detention.

Disappointed but will try to get her released through official channels.

Reporting on developments in Argentine foreign policy has centered on Argentina's relations with its neighbours, particularly Chile (the Beagle dispute) and with Brazil (over hydro-electric projects on the Parana river). These were supplemented by Dispatch No. 5/78 on the visit by the King of Spain, and Dispatch No. 1/79 on Papal Diplomacy in the Beagle Channel Dispute.

Needs up dating - time for a comprehensive review of this

In December 1978, the government announced a series of economic measures to improve the overall economic performance to reduce inflation, inflationary expectations and also reduce import tariffs. While these measures appear to have boosted production and so far to have prevented the inflation rate from soaring to higher levels, this is not likely to directly result in increased scope for bilateral trade opportunities (see section on bilateral trade).

Trade

Mr Whitlam's visit in May 1978, proved to be worthwhile. The prompt message of sympathy from the Australian Chief of Naval Staff to Admiral Lambrushini on the death of his daughter in a terrorist incident in August was appreciated.

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Visits by Mr Justice Williams of the Australian Royal Commission of Enquiry into Drugs in July 1978, Senator Lajovic and Mr Dobie M.P. in January 1979 were useful and provided opportunities for contact with Argentine government officials.

*Need for
visits from
Frankfurt*

There have been indications of Argentine interest in starting an air service over the South Pole to the Far East. While we have done nothing to raise their expectation, it is a question which is likely to come to the fore in the course of the year, particularly if President Videla goes as proposed to China or Japan in October 1979.

also - see briefing for Arg Amb's visit to Mm.

Relations with Uruguay

There have been no problems in our relations with Uruguay during the past year. As we said last year, the announcement of national elections in 1981, and the fact that political parties will be legalized but have their political activities proscribed, is unlikely to have any significant impact on relations between our two countries. There has been no significant increase in the number of immigrants from Uruguay and there is little growth potential foreseen in the near future. Unlike previous years no unfavourable criticism has appeared in the press by migrants returning to Uruguay.

Relations with Paraguay

Relations as in the 1977/78 period, continued to be in low key. There have not been any significant representations made on human rights matters. What few dealings we have had with the Foreign Ministry, e.g. over residual problems relating to the Bartons despite continued high level representations, have been protracted. Trade growth with Paraguay is seen as having some potential in the longer term.

TRADE RELATIONS

1977/78 was a record year for Australia's exports to Argentina, which totalled \$A41 million at the end of the fiscal year compared with \$A28 million in 1976/77. Argentina became our biggest export market in Latin America.

Our pattern of exports remained unchanged, with semi-finished steel, alumina and mineral sands accounting for about 93% of our total.

Argentine exports to Australia amounted to \$A4.6 million in 1977/78. This reflects no significant change, although it is interesting to note the wide range of products Argentina exports to Australia.

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*Check
with Embassy*

Although Argentina is appointing a commercial officer in Australia, it is doubtful that their exports will increase significantly. Despite the Australian preferential tariff scheme, the sale of Argentine products is limited by their rising prices, poor quality and generally poor technology.

The Argentine market is unlikely to expand in the near future. There was in fact a drop in imports in 1978, despite the lowering of tariffs in the country. It will be some time, then, before we can expect any major growth in the quantity or range of Australian exports to Argentina.

There are one or two exceptions to this. After a TPVF visit to Australia in late 1978 by senior executives of the major Argentine steel plant Somisa, Argentina is expected to establish contracts in 1979 for the regular supply of Australian coking coal. We can expect sales of up to 150,000 tonnes in 1979, increasing to about 250,000 tonnes within one or two years.

The Australian firm Telectronics has begun selling heart pacemakers in Argentina. It estimates a market for some 1 million pacemakers in Latin America.

The Commercial Counsellor has responsibility for Argentina, Uruguay, Paraguay and Chile. He has travelled particularly to Chile, which has a growing market with good potential for Australian exports. Uruguay and Paraguay remain small markets for us, worth \$A800,000 and \$A19,000 respectively in 1977/78. There is little potential for growth in the near future, although Paraguay could warrant more attention in the longer term as its per capita income increases and major hydro-electric projects begin to work.

The Commercial Counsellor has been involved in certain agricultural commodity policy matters beyond his regular commodity reporting functions. These have related to the International Wheat Agreement, International Wheat Council, U.N. Grains Negotiations and meat talks between Australia, Argentina, Uruguay and New Zealand.

Good thing

It is understood that future Trade activity in the post will shift from export promotion to commodity reporting.

IMMIGRATION

South America continues to be an important source for migrants. However, a continuing (and increasing) level of high unemployment in Australia, which makes it necessary to place great emphasis on occupational selection based on the demand for certain employment categories,

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results in a high rate of rejection. These restrictions, imposed initially in October 1974, show no sign of easing. In fact the opposite is true.

During the financial year 1977/78, total settler arrivals from the countries under the area for which our CMO has responsibility (Argentina, Uruguay, Paraguay and Brazil) were 1806. It is interesting to compare these with settler arrivals in the same period from the more traditional source countries of migration - Italy (2204), Yugoslavia (1890), Greece (1404), Germany (1061) and the Netherlands (977). Australia has bi-lateral Migration Agreements with all those countries except Greece.

Settler arrivals figures for the calendar year 1978 are not yet available but for the ten months ending October 1978 they totalled 1247, of which 747 came from Argentina.

One of the problems facing approved migrants from this part of the world is lack of reasonably priced air transport to Australia. Only one airline (LAN Chile) has a service from the South American continent across the South Pacific. This service provides for two flights from Santiago de Chile a week, one terminating at Nadi, and the other at Papeete. Migrants must then interline to other carriers at those ports. With the demand out of Papeete exceeding the supply, it is difficult for persons - particularly family groups - to obtain adequate seats at short notice. There are suggestions that Qantas may come to some arrangement with a well-known American owned airline with established links in many South American countries for a joint service via San Francisco, but so far nothing definite seems to have emerged. Hopefully there will be some developments in the early part of 1979 to ease the unsatisfactory position which exists at the moment.

Brail? check with IFEA

During the calendar year 1978, there were 18,496 first migration enquiries including 3218 from Brazil which figure covers a period of six months only. The number of persons represented by applications was 6097 (including 822 from Brazil). Culling at the pre-selection stage, because of the application of occupational selection prior to interview, resulted in the rejection of 2588 persons. Of the residual number of 3509 called for interview, only 1744 (about 50%) were approved for settler entry.

At the end of 1978, cases representing 1277 persons were awaiting determination for migrant entry and 568 already approved were awaiting visa issue.

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Temporary entry work continued at a relatively high level in 1978. Temporary entry covers visitors, business personnel, students and diplomatic staff who seek to proceed to Australia for various reasons. There was a total of 1537 persons in these categories of whom 1471 were approved. These figures include cases from Brazil which were 384 persons applied and 379 approved. For the period of six months ending June 1978 the percentage of temporary entrants who overstayed averaged 3% of total arrivals from all countries throughout the world. However, this average is exceeded from some of the countries under the control of this Embassy, the overstay rate from Uruguay being 19%, from Argentina 8% and Brazil 5%. Measures are being taken to ensure that the abuse of visitor entry policy is confined to the smallest possible figures.

Small numbers of Chilean applicants are still being presented by the UNHCR for consideration for migrant entry. The organisation also presents the same cases to other countries. The few received here are dealt with in accordance with Government policy regarding migrant entry.

POST ACTIVITIES

Reporting

1. Argentina

As in 1977/78, we have tried to be selective and to report on trends as they develop rather than to cover many subjects in great detail. We have covered the Government's efforts to move slowly towards the process of a civilian/military convergence and the full re-establishment of a stable pluralist democratic government. However the government appears to be determined to avoid the mistakes of past Argentine military regimes which returned the country too hastily to chaotic democratic government, and progress is therefore likely to remain slow. We have supplemented reporting with Dispatches Nos. 1-3/78 on Argentina and the World Cup, Argentina's Trade Unions and stirrings in the Labour movement. In view of representations made to the Minister and our membership of the U.N. Commission on human rights we have tried to maintain full reporting on human rights issues and signs of a gradual return to the rule of law. We have continued to regularly report on Argentina's determination to acquire self-sufficiency in nuclear energy, to complete their nuclear fuel cycle and their attitudes towards safeguards and non-proliferation. There are likely to be important decisions made this year in this area which will be of considerable interest to the Nuclear Policy Branch.

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Economic reporting has continued to be covered by a quarterly savingram. With our last economic savingram we have reverted to the original format suggested in Circular Memorandum no. 53/75 and trust that this format meets your requirements. The savingram has been supplemented by memoranda on specific items of interest to the Economic Division and additional brief items in the monthly political savingram, and commodity reports prepared by the Commercial Counsellor's section.

2. Paraguay

Relations with Paraguay remained cordial throughout the year. The First Secretary visited Asuncion for the National Day celebrations in May 1978 and the Ambassador visited Asuncion in August for the reinauguration of President Stroessner (for a further five year term). Reporting continues to be by a quarterly savingram which has covered human rights and economic developments including joint hydro-electric projects with Argentina and Brazil on the Parana river. The Ambassador also visited Asuncion in March 1979, and discussed human rights violations with a number of colleagues. From available evidence it would appear that the Paraguayan Government is not practising genocide against its Indian minorities. However in view of continuing interest in developments in human rights in Paraguay by the United Nations Human Rights Commission in its confidential procedures, we will try to pay particular attention to this subject in the coming year. We will continue to report on significant developments as appropriate.

3. Uruguay

Reporting on Uruguay was by quarterly savingrams which covered political developments, human rights, the timetable for a return to constitutional rule, the easing of prohibitions on trade union activities and changes in the Uruguayan cabinet. Given the fact that Uruguay continues to be under scrutiny in the confidential procedures of the United Nations Human Rights Commission, we shall try to give close attention to human rights in the coming year. We shall also endeavour to monitor developments in Uruguay's beef and wool industries.

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INFORMATION ACTIVITIES

The post's information work continued at a good level throughout the year. Media coverage of Australian events was satisfactory. A considerable problem continued to be the lack of sufficient supplies of printed material in Spanish to fill the numerous requests made of the post. Public speaking engagements increased, particularly in the number of television appearances by the Ambassador and his staff. As foreseen in 1977, the acquisition by the Embassy of a portable information exhibition proved quite a boost to the program. By the end of 1978 the exhibition had been seen in La Plata, Puerto Madryn and Salta. It is planned to show the exhibition in 1979 in a further four provincial centres as well as in Buenos Aires. Information activity in Paraguay continued to be limited, coverage in Uruguay being somewhat better.

CULTURAL ACTIVITIES

There were no organized tours under our cultural relations program by Australian musical groups or exhibitions during 1978. We continued to associate ourselves with the commercial release of Australian films (in which Argentina is showing considerable interest), using their success to bolster our cultural program. The touring Aboriginal art exhibition held at this post was a success at the important Museum of Anthropology and Archaeology at La Plata. It is planned to tour the exhibition further in 1979 with a possible excursion to Uruguay.

ADMINISTRATION

The rate of inflation increased slightly during the period under review (169.8% in 1978 as against 160.4% in 1977) and the economic situation in Argentina has remained unpredictable in many aspects. Consequently, the Embassy has continued to experience considerable difficulty with accurate budgeting and estimating.

Continued staffing restrictions and financial stringencies coupled with inflation and a large attached establishment (two Counsellors and 10 other officers) have had the effect of increasing the volume and complexity of administrative work at the post. The major areas of difficulty have been A-based local allowances, locally engaged staff salaries and rentals, all of which have required constant monitoring.

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*Already
fallen down* | The post underwent a Public Service Board Inspection in August/September 1978. The Inspection was most successful, not the least because one of its results was a substantial increase to local allowances. An additional result was the introduction of a system of interim adjustment of allowances the efficacy of which has yet to be demonstrated.

We have continued to monitor rentals and keep the OOB informed of inflationary pressures on the rental market which are likely to continue for some time. We are hopeful that funds may be made available during the coming year to purchase some residential properties.

There has been some improvement in the security situation during the period under review. Nevertheless, officers at the post still need to be continually conscious of security. The need for additional or alternative security measures is constantly reviewed.

The volume of consular activity has remained constant although we have fortunately been spared any cases of a highly complicated, sensational or delicate nature. There are 107 Australians registered with the Embassy and 40 passports were issued during the year ended 28 February 1979. On average, three (3) Australians per week seek consular assistance or guidance of some sort. There is a trend, which we expect to continue, for many Argentine immigrants to return either temporarily or permanently to Argentina. A great many of the problems coming to our attention thus involve dual nationality.

TRAVEL

The Ambassador made a number of regular visits to both Uruguay and Paraguay during the past year for both reporting and representational purposes. The Ambassador also made a series of official visits (accompanied in many instances by the Third Secretary) to the provinces of Mendoza, Cordoba, Entre Rios, Buenos Aires, Santa Fe, La Rioja, Neuquen, Catamarca, Corrientes, Santa Cruz. The First Secretary visited Paraguay and the Argentine provinces of Chubut, Santa Cruz, Santa Fe. The Second Secretary (Consular and Administrative) also visited Bariloche, Mendoza and Cordoba. The visits to the Argentine provinces generated good publicity for Australia and gave the Embassy a better appreciation of the country and its domestic problems. We intend to follow a similar travel schedule for the coming year.

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11.

REVIEW OF INITIATIVES PROPOSED IN PREVIOUS REVIEW

We have continued to develop dialogues with Argentine Government Ministries and have maintained close contact on Law of the Sea and Antarctic issues. As there are constant changes in desk officer positions in many areas of the MFA, and due to Embassy staff changes greater efforts are being made. We have been successful in developing very useful contacts with the Argentine Atomic Energy Commission.

1. No Argentine, Uruguayan or Paraguayan received an AIAS award for study in Australia.
2. We were involved in sending an Argentine television team to Australia under the Media Visitor's Program. The result was an excellent series of programs on Australia which are already into the re-runs on Argentine television.
3. Officers of the Embassy continued a vigorous program of provincial tours.
4. An Australian Hockey team visited Argentina in March 1978 and we have been pleased to learn that the first ever Rugby team (advocated for many years) will visit in October 1979, playing in Buenos Aires and the provinces.

PROPOSED INITIATIVES

- ✓ 1. In the area of political reporting the Ambassador hopes to do more in the way of broad reflective dispatches in the area of the gradual return to the rule of law and Argentine economic situation and policies.
- North/South
issue ✓ 2. In order to assist him in this task the FAOs are currently broadening our range of contacts with the International Economic Organisations Branch of the Argentine MFA and intend to produce a greater range of economic reports particularly on those aspects of Argentine economic policy development which will be of interest to the Department.
3. We will endeavour to increase our information activities throughout the three countries of accreditation, particularly by official visits by the Ambassador and staff and through continued use of the portable information and aboriginal arts exhibitions.
4. We will try to promote better media coverage in Uruguay.

..../12

C O N F I D E N T I A L

C O N F I D E N T I A L

12.

5. The major cultural event for the forthcoming year will be the showing of "Storm Boy" to invited audiences in June 1979. Although there is no other major cultural event programmed, we will continue to host functions where appropriate in connection with previews of Australian films to be released commercially in Argentina.

6. The Sydney String Quartet which made such a successful visit to Argentina with Departmental financial assistance in 1977 will visit Argentina under commercial arrangements in July 1979. We will endeavour to associate ourselves with their visit and to achieve maximum value from it.

(H.W. Bullock)
Ambassador

C O N F I D E N T I A L



DEPARTMENT OF TRADE AND RESOURCES

TELEPHONE: 72 3911

CANBERRA, A.C.T.

Reference

74/1539

Date:

5/9/79

Memorandum To:

Ms A. Blumhett

Dept of Foreign Affairs

Subject:

ANNUAL REVIEW: BUENOS AIRES

Your Reference:

Your phone call to Mr
Grant Hall of 5/9/79

Enclosure referred for information and/or comments



Enclosure referred for advice, please



Enclosure referred for appropriate action, please



Copy of our reply to your
memorandum 832/1 of 19 June 1979.

My Day
Latin America Desk
Trade Relations and
Markets
for the Secretary

TR114(7-78)

CABLES AND TELEGRAMS ADDRESS TO 'SECTRADE CANBERRA'

National Archives of Australia

NAA: A1838, 226/9/10 PART 2

74/1539

21 August 1979

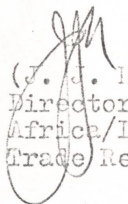
The Secretary
Department of Foreign Affairs
CANBERRA ACT 2600

Attention: Mr D. Andrews
Commercial Policy Section

ANNUAL REVIEW: BUENOS AIRES

Thank you for your memorandum 832/1 of 19 June 1979 in which you sought this Department's comments on the Annual Review: Buenos Aires for the period March 1978 to March 1979.

The Department has no specific comments in respect of the remarks on Australia's exports to the area. The comments are in line with those received from the Trade Commissioner, Buenos Aires.


(J. J. Kenna)
Director
Africa/Latin American Section
Trade Relations and Markets Division

CONFIDENTIAL

FOREIGN AFFAIRS

F:226/9/10.

FILE No..... 680/8/53

DATE..... 1 June 1979

SUBJECT

BUENOS AIRES : POST REVIEW

~~FOR Mr. R. K. Gate~~

~~Nansen~~

~~R. W. H. S.~~

~~HSL~~

The following draft is for your consideration.

Servicing Argentinian Army Helicopters

In view of the problems encountered recently in servicing Argentinian Army Helicopters in Australia, you should be aware of the following. In February 1979 Argentina asked Hawker de Havilland Australia to service engines and gearboxes for UH-1H helicopters (Iroquois) belonging to the Argentinian Army. US and Canadian firms had refused to service the helicopters because of US restrictions on military assistance to those countries in Latin America which the US consider violate human rights. Australia had been approached after negotiations with Taiwan broke down.

2. The Minister for Foreign Affairs decided that Hawker de Havilland should be allowed to overhaul the engines provided a similar offer was made to Chile (which showed no interest). However, in March 1979 the US Embassy in Canberra advised that the US objected to the work being done because Hawker de Havilland would be using tooling, test equipment and spare parts of US origin.

3. Under the Foreign Military Sales Agreement with the US, Australia accepts the restrictions on items listed in the US Munitions List (a list of countries to which the export of US defence materiel is prohibited). It was therefore acknowledged that Australia was constrained by US legislation on arms transfer. As both the RAAF and the RAN are equipped with UH1 series aircraft, logistics support from the US could also

../2

CONFIDENTIAL

CONFIDENTIAL

- 2 -

have been adversely affected. In the circumstances Hawker de Havilland cancelled its contract with Argentina.* The helicopters had not arrived in Australia and it is not known where they are.

J.M.C. Watson

(J.M.C. Watson)
A/g Assistant Secretary
Defence Co-Ordination Branch

* *THERE WAS NO U.S. GOVERNMENT OR Australian GOVERNMENT PRESSURE BROUGHT TO BEAR ON HDH. THE PARENT COMPANIES SUPPLYING THE PARTS TO HDH (eg BELL HELICOPTERS (AUSTRALIA)) ADVISED HDH THAT THEIR POSITION WOULD BE IN JEOPARDY IF THEY SUPPLIED THE PARTS REQUESTED AS THEY ABIDED BY THE U.S. GOVTS SANCTIONS POLICY. IT WAS A COMMERCIAL DECISION BY HDH NOT TO GO AHEAD.*

CONFIDENTIAL

FOREIGN AFFAIRS

FILE No.

226/9/10 ←

DATE

5 June 1979

SUBJECT

Annual Review - Buenos Aires

Mr R. K. Gate
Asst. Secretary
FOR.....

Americas and
N.Z. Branch

Through Mr
G. Cotsell.

Mr. Gate
6/6
1979

Please refer to your minute of 25 May requesting comments on the Annual Review from Buenos Aires.

The Consular Section has no particular comments to offer but were interested to note the Post comment that many consular problems now involve dual nationality. This question will be followed up with the post.

The Passports Section has no comments to make on the Review and should any comments be made by the Department of Immigration and Ethnic Affairs they will be passed to you when received.

David A. Beattie
(David A. Beattie)
Consular Section

Mr. Gate We would be grateful in future reporting for information on refugee - or lack of it - by countries in the region to UNHCR appeals for Indochinese & other refugees.
6/6

FOREIGN AFFAIRS

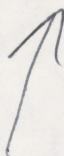
FILE No. 226/9/10

DATE 22 June 1979

SUBJECT

ANNUAL REVIEW : BUENOS AIRES

~~FOR Mr. Gate,.....
Americas and
New Zealand
Branch~~



*Pro Wittie
12/6/6*

3339

You may wish to draw on the following in your reply to Buenos Aires' Annual Review:

2. Despite the restraints on funds, every effort is being made to provide the mission and other posts in South America with reasonable supplies of Spanish-language publications. A Spanish edition of Australia Handbook will be available shortly and 1000 copies have been allocated to the mission.

3. New Spanish versions of the Reference Papers Australia - An Introduction, Education In Australia and Sport In Australia have been published in Mexico as part of the local publications program and revision of further titles, together with Fact Sheets, is planned in 1979-80. It is also proposed to reprint the Australia Information Folder, which has colour illustrations, in the new financial year. A Spanish-language Newsletter is under consideration.

4. AIS was pleased to sponsor the successful visit by the Argentina Videoshow television team in November 1978, providing a per diem for a two-man crew for nine days, internal air fares and ground transport, and also assisting with the team's itinerary.

5. Publicity support ^{was} ~~is being~~ provided for the 1979 visits to Argentina and other South American countries of the Sydney String Quartet and ^{will also be provided} the visit to Argentina by an Australian Rugby Union team.

(John Acton)

Information Co-ordination
Sub-section



FOREIGN AFFAIRS

FILE No. P610/BA/1

DATE 9 July 1979

SUBJECT

BUENOS AIRES - ANNUAL REVIEW

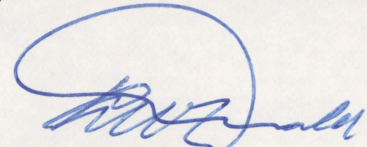
~~FOR Assistant
Secretary
ANZ. Branch~~

The following comments are recommended for inclusion in the Secretary's reply to the Buenos Aires Annual Review.

2. ~~"It is pleasing to note that you appear~~ to be coping satisfactorily within your L.E.S. sub-ceiling of 26, despite the difficulties and increased workload brought about by inflation. Your mission will be visited by an establishment review team during October/November. The First Assistant Secretary (M&FSD) will be writing to the Ambassador about the arrangements. It is hoped that the visit will be combined with an Internal Audit inspection.

3. I believe that increase in the level of your imprest by \$20,000 this financial year will also help to ease the post's inflation-inspired expenditure problems.

4. I am glad that you were recently able to acquire an apartment. However, you should know that the Overseas Operations Branch expect to have very limited funds available for property acquisition in 1979/80. Given funds limitations, and taking account of global priorities, it is unlikely that we can purchase any property in Buenos Aires in the next financial year. Should the circumstances change, your needs will of course be reviewed in the light of funds availability."



(K. McDonald)
First Assistant Secretary
Management and Foreign Service
Division

FOREIGN AFFAIRS

FILE No.

DATE 30 May 1979

SUBJECT

Annual Review - Buenos Aires

Mr J. Mahoney

FOR.....

Attached is a copy of the
Annual Review from Buenos Aires.

Any comments are requested by
22 June 1979.

David A. Beattie
(David A. Beattie)

L
A Beattie

No comments

0 30
5

FOREIGN AFFAIRS

File copy.

1668/3/184
1616/1/2/2
FILE No.....1532/5.....
DATE.....1 June 1979.....

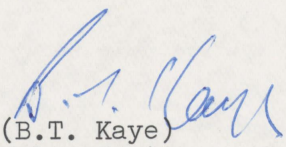
SUBJECT

ANNUAL REVIEW: BUENOS AIRES

FOR.....Mr...Beattie

This section has no particular comments to make about the relevant section of the review.

2. However, we were interested to note the Post Comment that many consular problems now involve dual nationality. This will be followed up with the post.


(B.T. Kaye)
Consular Section

FOREIGN AFFAIRS

No comments from
Mr. Spurr 59
Mr. Spurr / *have not*
read

FILE No. 226/9/10

DATE 25 May, 1979

CB 30/5

SUBJECT

BUENOS AIRES.: ANNUAL POST REVIEW

FOR.....

Adviser on STE
 Program, Planning
 and Review Branch,
 ADAB

APLOS
 AS EX
 DP UN
 MFSD
 DC
 NP
 IO
 CIP
 EO
 EP
 IL
 CR
 SVC
 PER
 TEC
 INF

Attached is a copy of the Annual Post Review from Buenos Aires.

2. To assist us in preparing a draft reply for the Secretary's signature, we would be grateful for any comments you might have by 22 June 1979, to enable us to meet the deadline set by the Executive Secretariat.

3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976 and 65/78 of 1976.

R. K. Gate

(R. K. Gate)

Assistant Secretary,
 Americas and New Zealand Branch

Mr. Willis 18/5/79
CCILA Section

→

Mr. P.

Nothing from EO
We could perhaps welcome para 2
of page 11 but it hardly seems
worth doing unless you wish to draft
a sentence in
X. Spurr 4/6

C O N F I D E N T I A L

12.

5. The major cultural event for the forthcoming year will be the showing of "Storm Boy" to invited audiences in June 1979. Although there is no other major cultural event programmed, we will continue to host functions where appropriate in connection with previews of Australian films to be released commercially in Argentina.

6. The Sydney String Quartet which made such a successful visit to Argentina with Departmental financial assistance in 1977 will visit Argentina under commercial arrangements in July 1979. We will endeavour to associate ourselves with their visit and to achieve maximum value from it.

(H.W. Bullock)
Ambassador

C O N F I D E N T I A L

FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 25 May, 1979

SUBJECT

BUENOS AIRES.: ANNUAL POST REVIEW

FOR.....

Adviser on STE
Program, Planning
and Review Branch,
ADAB

APLOS

AS EX *gpb*

DP *←*

MFSD

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INF

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3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976 and 65/78 of 1976.

MSL:ul. For action if required. gpb 30/5.

R. K. Gate
MSR

R. K. Gate
(R. K. Gate)
Assistant Secretary,
Americas and New Zealand Branch

Mr Gate

*We have no matter
to raise ~~in relation to~~
concerning defence relations
between Australia and Argentina / Uruguay / Peru*

*K. I. 1
31/5*

We have appreciated your post's continued efforts to keep the Department informed of the developments and changes which have taken place over the period covered by your Annual Review and since then in Argentina, Uruguay and Paraguay. The confidence I have expressed in my reply to last year's Annual Review that the good performance of your mission will continue has not been misplaced. We agree that you should endeavour in your reporting to be selective and to concentrate on trends rather than detail, not least because of staffing shortages both at your mission and in the Department.

We agree that Australia's interests in the region continue to be as you describe them in the opening paragraphs of your Review.

I do not propose to elaborate, as I did last year, concerning our continuing interest in the performance of the Argentine, Uruguayan and Paraguayan Governments in the human rights area. I know that you are fully aware of this interest, including the sometimes difficult requirement of satisfying Australian domestic pressures and maintaining a correct attitude in relation to human rights violations on the one hand, and, on the other, of maintaining close and friendly relations with the Governments to which you are accredited.

You participated at the Meeting of Heads of Mission in the Americas in Washington 5-6 June, in the discussion on this subject and you will know therefore that the Minister was made aware of the problems Heads of Mission saw in some aspects of Australia's human rights policy. In accordance with the Minister's decision at the meeting the Department has begun a review of our human rights policy in the light of the views expressed in Washington. You will be kept informed of developments in relation to this matter.

.... /2.

CONFIDENTIAL

We are, I shall emphasise, grateful for your efforts with the relevant authorities in seeking information or action concerning persons about whom we have received representations. In this context we were pleased with the successful resolution of the cases of Di Benedetto and Mohaded. We also concur in your view that cases where a strong Australian connection exists should be pursued as positively as possible.

You will be aware of the Government's policy with regard to the admission of refugees and those persons subject to political duress in their own countries. While we sympathise with the difficulties which you experience with applications from detainees to migrate to Australia under "right of option" provisions, you will appreciate that each case must be examined on its merits. If detainees with a strong Australian connection do not appear eligible for entry under normal migration policy, further consideration may be given, based on any additional information that may become available, preferably supplemented by the results of a normal selection interview.

The part Antarctica plays in our relationship with Argentina will probably be enhanced over the coming months, especially with the resumption of the Special Consultative Meeting in July in Buenos Aires. One of the keys to the successful outcome of this meeting is finding a solution to the sovereignty issue. We need to keep in close touch with the Argentinians to assess, on a continuing basis, their attitudes to the evolving situation as it relates to the sovereignty question. For our part, while it is a firm policy of the Government to maintain sovereignty over the AAT, we might be more amenable to practical compromise than the Argentinians (within the spirit of Article IV of the Treaty).

In the Law of the Sea Conference, Argentina, like Australia, is a member of a group of states with wide continental margins. These states advocate coastal State sovereignty over the whole margin, even where this extends beyond the 200 nautical mile exclusive zone being debated by the Conference. Timely reporting of fluctuations in Argentinian attitudes on this will be of importance. Developments in the disputes with the United Kingdom over the Malvinas, and with Chile over the Beagle Channel, will also be of interest. It would also be useful for the post to monitor Paraguay's quest for access to the sea and its membership of the influential Land-locked and Geographically Disadvantaged States Group in the Law of the Sea Conference.

.... /3.

CONFIDENTIAL

With regard to the question of new extradition treaties between Australia and Argentina, Uruguay and Paraguay, the Attorney-General's Department, which is responsible for extradition matters, still proposes to seek to negotiate extradition treaties with Argentina and Uruguay and possibly with Paraguay. These countries cannot, however, be given priority until after Australian negotiations for extradition treaties with the FRG, Indonesia and the Philippines. These negotiations may be another year in train and if the question of extradition treaties is discussed with local authorities, you should not give any indication of Australian timing until the Attorney-General's Department and this Department have been consulted.

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Because of the difficulties of keeping the Post adequately briefed on current non-proliferation and arms control developments, detailed exchanges between Australia and Argentina in this field will continue to be carried out primarily in conference posts such as New York, Vienna and Geneva. It would be useful, nevertheless, for the Post to develop further, if possible, its dialogue on nuclear matters with the Argentine authorities. It could also be helpful if the Post could maintain the contacts on arms control questions which have developed as a result of Argentina's Chairmanship of the Preparatory Committee for the Special Session on Disarmament. Our immediate interest in this area is to secure Argentine support for Australian membership of the Conference of the Committee on Disarmament.

As spelled out in the Annual Review, important and useful links have been established and co-operation is occurring in the field of science and technology, albeit at a very modest level. Because of its comparatively high level of scientific and technical development, we would see greater scope in the immediate future for the development of scientific and technical relations with Argentina than with most other countries in the region. Argentina will, of course, host in 1978 the Conference on Technical Co-operation between Developing Countries and we would like to be informed on preparations for the Conference, as well as on the development of Argentinian and other Latin American attitudes to the Concept of TCDC.

.... /4.

CONFIDENTIAL

The Post's economic reporting has been comprehensive and useful and, supplemented by the monthly savingram, has met our needs. We note difficulties in obtaining reliable and accurate statistical data.

We agree with the Review's assessment, that whilst trade prospects are still governed by the country's economic performance, recent trends in trade and Argentinian policies suggest expanded export opportunities for Australia. Accordingly, developments in the Argentinian economy are of interest to Australia and the Post should continue its useful reporting on them; the working of the licensing system should be of particular interest.

In view of Australia's major interest in the international beef and wheat markets, you should also continue to monitor Argentinian policies with regard to meat and wheat exports.

We have noted your views on Australian membership of the Inter-American Development Bank. Australia currently extends multi-lateral assistance through a number of international and regional development finance institutions including the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the Asian Development Bank (ADB) and the Asian Development Fund (ADF). Because of the concentration of aid within our geographical region, which in respect of Asia includes many of the poorest developing countries, Australia does not support any regional banks, apart from the ADB. However, given the generally increased awareness in Australia of the potential for developing commercial relationships with Latin America, current Government emphasis on the encouragement of export orientation on the part of Australian firms, and the forthcoming establishment of an Australian Overseas Projects Corporation, it may be appropriate to look once again at the question of possible future Australian membership of the Bank, and accordingly we would welcome a more detailed analysis from your post of the Bank's activities in the area, and an assessment of where Australia might fit in. In particular, we need to know whether the projects now being undertaken by the Bank are of a kind that Australia would have the capacity to support and whether loans made by the Bank are likely to prove commercially rewarding to Australia in a competitive market.

We share a common interest with Paraguay and Uruguay in the world beef market, and to a lesser extent in wool with Uruguay, and the Post should continue to monitor developments in these areas.

.... /5.

CONFIDENTIAL

Further, on wool, you will be aware that recently Cabinet decided on partial relaxation of the ban on merino exports. Departmentally we supported partial relaxation. In so doing, the positive benefits such relaxation would bring to our relationship with Argentina were very much in mind.

ADAB has advised that it does offer training awards to Latin America which are now in the form of training-months; this allows flexibility for nominating authorities to choose between long and short courses which are now more in demand. These awards were previously made available through the OAS Secretariat in Washington, but the Bureau has since advised you that it will now be offering some awards on a direct bilateral basis to Latin American countries where we have representation as well as through the OAS - channelled system.

We have sought comments from the Australian Information Service on those aspects of the Review relevant to its operations and these comments are incorporated below.

AIS has been happy to provide assistance to the television team from Videoshow/Argentine TV, due to arrive in late July. Fortunately, AIS are now in a position to offer a financial contribution towards per diem expenses and internal airfares.

AIS will advise the First Secretary (Information) in Mexico of the potential for more placement of material with selected media outlets in Uruguay. He will then liaise directly with the post on this matter.

We have been pleased by the success of your promotion of Australian films in Argentina and will commend your initiatives in this area to the Australian Film Commission. We have included Argentina in a proposed Latin American circuit of Australian film events in the 1978/79 financial year, subject to approval of funds.

The continuing policy of financial restraint will prevent us from presenting additional Cultural Exchanges in the region during 1978/79, apart from a book gift to Argentina.

You will know that the Department is currently examining the whole question of the structure of local allowances and the policy in relation to interim reviews. We believe that your own case demonstrates some of the inadequacies of the present policy regarding interim allowance reviews which was formulated in 1972. The matter is not a simple one and in considering any change to the present policy we must be certain that we do not, for example, reduce the existing package of overseas allowances conditions.

.... /6.

The Department has again sought approval from the P.S.B. to enroll L.E.S. in the national pension scheme. A favourable "in principle" decision is expected in the near future.

The L.E.S. re-organisation proposal is still with the Public Service Board. The Department is continuing to press for early attention and will advise you of the outcome as soon as advice from the Board has been received.

The Audit Inspection carried out from 27 February to 10 March 1978 concluded that the administration of the Post was satisfactory. There were no major criticisms, although assests accounting, which you are currently up-dating, still requires some work.

The Department is continuing its discussions with the Department of Immigration and Ethnic Affairs in an endeavour to resolve the question of financial responsibility for travel by locally-engaged interpreters accompanying Migration Branch officers from Buenos Aires to countries outside the Post's area of accreditation. At this stage, because of a lack of detailed back-up information and a detailed travel program, we are unable to justify to the Department of Finance the need for an additional \$25,000 as requested in your 1978/79 Draft Estimates for L.E.S. travel to areas outside Argentina, Paraguay and Uruguay. Any significant variation from the Department's 1978/79 Forward Estimates will need to be fully justified to the Department of Finance.

The Department of Immigration and Ethnic Affairs has advised that it has sought cabled advice from the Chief Migration Officer at the Post on his section's proposed travel program for 1978/79. In addition they (Immig. & E.A.) have also sought confirmation of the current need for L.E.S. accompanying A-based officers on tours outside the Post's area of accreditation. Further discussion on this subject and a decision on funds requirements will follow. The Department will keep you informed of the results of the discussions referred to above.

It is encouraging to hear that the internal security situation has improved in your area. I would, however, like you to keep the Department informed of the situation in general by means of periodic assessments, particularly with regard to the effectiveness of the Argentinian Security and law enforcement agencies.

..../7.

CONFIDENTIAL

CONFIDENTIAL

In conclusion, may I express my gratitude to you and to all members of your staff for your efforts during the period under review.

(N.F. Parkinson)

His Excellency Mr H.W. Bullock,
Ambassador,
Australian Embassy,
BUENOS AIRES

CONFIDENTIAL

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We have noted your views on Australian membership of the Inter-American Development Bank. Australia currently extends multi-lateral assistance through a number of international and regional development finance institutions including the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the Asian Development Bank (ADB) and the Asian Development Fund (ADF). Because of the concentration of aid within our geographical region, which in respect of Asia includes many of the poorest developing countries, Australia does not support any regional banks, apart from the ADB. However, given the generally increased awareness in Australia of the potential for developing commercial relationships with Latin America, current Government emphasis on the encouragement of export orientation on the part of Australian firms, and the forthcoming establishment of an Australian Overseas Projects Corporation, it may be appropriate to look once again at the question of possible future Australian membership of the Bank, and accordingly we would welcome a more detailed analysis from your post of the Bank's activities in the area, and an assessment of where Australia might fit in. In particular, we need to know whether the projects now being undertaken by the Bank are of a kind that Australia would have the capacity to support and whether loans made by the Bank are likely to prove commercially rewarding to Australia in a competitive market.

We share a common interest with Paraguay and Uruguay in the world beef market, and to a lesser extent in wool with Uruguay, and the Post should continue to monitor developments in these areas.

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Further, on wool, you will be aware that recently Cabinet decided on partial relaxation of the ban on merino exports. Departmentally we supported partial relaxation. In so doing, the positive benefits such relaxation would bring to our relationship with Argentina were very much in mind.

ADAB has advised that it does offer training awards to Latin America which are now in the form of training-months; this allows flexibility for nominating authorities to choose between long and short courses which are now more in demand. These awards were previously made available through the OAS Secretariat in Washington, but the Bureau has since advised you that it will now be offering some awards on a direct bilateral basis to Latin American countries where we have representation as well as through the OAS - channelled system.

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You will know that the Department is currently examining the whole question of the structure of local allowances and the policy in relation to interim reviews. We believe that your own case demonstrates some of the inadequacies of the present policy regarding interim allowance reviews which was formulated in 1972. The matter is not a simple one and in considering any change to the present policy we must be certain that we do not, for example, reduce the existing package of overseas allowances conditions.

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The Department of Immigration and Ethnic Affairs has advised that it has sought cabled advice from the Chief Migration Officer at the Post on his section's proposed travel program for 1978/79. In addition they (Immig. & E.A.) have also sought confirmation of the current need for L.E.S. accompanying A-based officers on tours outside the Post's area of accreditation. Further discussion on this subject and a decision on funds requirements will follow. The Department will keep you informed of the results of the discussions referred to above.

It is encouraging to hear that the internal security situation has improved in your area. I would, however, like you to keep the Department informed of the situation in general by means of periodic assessments, particularly with regard to the effectiveness of the Argentinian Security and law enforcement agencies.

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In conclusion, may I express my gratitude to you and to all members of your staff for your efforts during the period under review.

(N.F. Parkinson)

His Excellency Mr H.W. Bullock,
Ambassador,
Australian Embassy,
BUENOS AIRES

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~~Mr Rede~~

→ file 226/9/10.

There is no "contradiction"
in our human rights policy.
It is simply a matter of
priorities. If our defence of
human rights causes some
difficulties in our bi-lateral
relations with Latin America
it is a price we have to pay
in order to secure more
important objectives elsewhere
in the world.

~~Mr Rede~~

~~12/12~~

Y
17/4

~~Mr Pearce.
I look on
to Mr Wensley.~~

file : 226/9/10.

9/6/7.

Mr Cooper 4

Recommended for
Divisional clearance

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14/7

Argentina - Annual Review

Draft reply to Buenos Aires Annual Review
incorporating changes made by Mr. GATE.

For your consideration ps.

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13/7

Mr Ride

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My dear Ambassador,

We have appreciated your post's continued efforts to keep the Department informed of the developments and changes which have taken place over the period covered by your Annual Review and since then in Argentina, Uruguay and Paraguay. The confidence I have expressed in my reply to last year's Annual Review that the good performance of your mission will continue has not been misplaced. We agree that you should endeavour in your reporting to be selective and to concentrate on trends rather than detail, not least because of staffing shortages both at your Mission and in the Department.

We agree that Australia's interests in the region continue to be as you describe them in the opening paragraphs of your Review.

I do not propose to elaborate, as I did last year, concerning our continuing interest in the performance of the Argentine, Uruguayan and Paraguayan Governments in the human rights area. I know that you are fully aware of this interest, including the sometimes ~~contradictory~~ ^{different} requirements of satisfying Australian domestic pressures and maintaining a correct attitude in relation to human rights violations on the one hand, and, on the other, ^{of maintaining as close and} the danger that representations on ^{friendly relations with} this subject to the Governments concerned may be ^{to which we are} counter-productive. ^{as indicated}

You participated at the Meeting of Heads of

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Mission in the Americas in Washington 5-6 June, in the discussion on this subject and you will know therefore that the Minister was made aware of the ^{problems} dangers Heads of Mission saw in some aspects of Australia's human rights policy and of their view that a fresh look should be taken at the aims and implications of the policy, especially in regard to Australia's role in the U.N. Human Rights Commission and interventions with other governments on specific human rights questions or cases. In accordance with the Minister's ^{instructions} reply to ~~the Heads of Mission~~ the Department has begun a review of our human rights policy in the light of the views expressed in Washington and you will be kept informed separately concerning this matter.

We are, however, grateful for your efforts with the relevant authorities in seeking information⁴ or action concerning persons about whom we have had representations. In this context we were pleased to have had the cases of Di Benedetto and Mohaded successfully resolved. Notwithstanding the above ^{also} ~~reservations~~ about ~~representations in general~~, I concur in your view that cases where a strong Australian connection exists should be pursued as positively as possible.

You will be aware of the Government's policy with regard to the admission of refugees and those persons subject to political duress in their own countries. While we sympathise with the difficulties which you experience with applications from detainees to migrate to Australia under "right of option" provisions, you will appreciate that each case must be examined on its ~~own~~ merits. If detainees with a

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strong Australian connection do not appear eligible for entry under normal migration policy, further consideration may be given, based on any additional information that may become available, preferably supplemented by the results of a normal selection interview.

The part Antarctica plays in our relationship with Argentina will probably be enhanced over the coming months, especially with the resumption of the Special Consultative Meeting in July in Buenos Aires. One of the keys to the successful outcome of this meeting is finding a solution to the sovereignty issue. We need to keep in close touch with the Argentinians to assess, on a continuing basis, their attitudes to ^{the evolving situation as it relates to the sovereignty} ~~sovereignty~~. For our part, while it is ^{question} a firm policy of the Government to maintain sovereignty over the AAT, we might be more amenable to practical compromise than the Argentinians (within the spirit of Article IV of the Treaty).

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In the Law of the Sea Conference, Argentina is a member of a group of states with wide continental margins, of which Australia is also a member. These states advocate coastal State sovereignty over the whole margin, even where this extends beyond the 200 nautical mile exclusive zone being debated by the Conference. Timely reporting of fluctuations in Argentinian attitudes on this will be of importance. Developments in the disputes with the United Kingdom over the Malvinas, and with Chile over the Beagle Channel will also be of interest. It would also be useful for the post to monitor Paraguay's quest for access to the sea and its membership of the influential ~~Lands~~ Locked and Geographically Disadvantaged States Group in the Law of the Sea Conference.

With regard to the question of new extradition treaties between Australia and Argentina, Uruguay and Paraguay, the Attorney-General's Department, which is responsible for extradition matters, still proposes to seek to negotiate extradition treaties with Argentina and Uruguay and possibly with Paraguay. These countries cannot, however, be given priority until after Australian negotiations for extradition treaties with the FRG, Indonesia and the Philippines. These negotiations may be another year in train and if the question of extradition treaties is discussed with local authorities, you should not give any indication of Australian timing until the Attorney-General's Department and this Department have been consulted.

Argentina, as one of the leading non-NPT developing countries, plays an important role in international discussions of non-proliferation and other arms control issues. We should like the Post to continue its useful reporting of nuclear developments in Argentina and of Argentine attitudes to non-proliferation and nuclear safeguards policies.

Because of the difficulties of keeping the Post adequately briefed on current non-proliferation and arms control developments, detailed exchanges between Australia and Argentina in this field will continue to be carried out primarily in conference posts such as New York, Vienna and Geneva. It would be useful, nevertheless, if it were possible for the Post to develop ^{further} its dialogue on nuclear matters with the Argentine authorities. It could also be helpful if the Post could maintain the contact on arms control questions which have developed as a result of Argentina's Chairmanship of the Preparatory Committee for the Special Session on Disarmament. Our immediate interest in this area is to secure Argentine support for Australian membership of the Conference of the Committee on Disarmament.

As spelled out in the Annual Review, important and useful links have been established and co-operation is occurring in the field of science and technology, albeit at a very modest level. Because of its comparatively high level of scientific and technical development, we would see greater scope in the immediate future for the development of scientific and technical relations with Argentina than with most other countries in the region. Argentina will of course host in 1978 a

Conference on Technical Co-operation between Developing Countries and we would be interested in being informed on preparations for the Conference as well as on the development of Argentinian and other Latin American attitudes to the Concept of TCDC.

The Post's economic reporting has been comprehensive and useful and, supplemented by the monthly savingram, has met our needs. We note difficulties in obtaining reliable and accurate statistical data.

We agree with the Review's assessment, that whilst trade prospects are still governed by the country's economic performance, recent trends in trade and Argentinian policies suggest expanded export opportunities for Australia. Accordingly, developments in the Argentinian economy are of interest to Australia and the Post should continue its useful reporting on them; the working of the licensing system should be of particular interest.

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in 1972, regarding interim allowance reviews. The matter is not a simple one and in considering any change to the present policy we must be certain that we do not, for example, reduce the existing package of overseas allowances conditions.

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It is encouraging to hear that the internal security situation has improved in your area. I would, however, like you to keep the Department informed of the situation in general by means of periodic assessments, particularly with ~~xx~~ regard to the effectiveness of the Argentinian Security and law enforcement agencies.

Yours sincerely,

H.E. Mr H.W. Bullock,
Ambassador,

Australian Embassy,
BUENOS AIRES.

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626/11/12

① Mr Nass ✓
② F 226/9/10

1 - JUL 1977

My Dear Ambassador,

I wrote in my reply to last year's Annual Review from your post that the present Australian Government had not given a high priority to relations with Latin America. This situation has not changed. Nevertheless, we have an appreciation of Argentina's importance, second only to Brazil in South America and the role it plays within the region and in the world arena.

The past year has been a difficult one for Argentina, both on the economic front and in the fight against subversion. We have appreciated your post's efforts to keep us fully informed of the changes and developments which have been taking place. The performance of your mission over the past year in a difficult environment has been good and I have every confidence that this will continue.

I agree that Australia's interests in the region are essentially as you describe them in the opening paragraphs of your review and I will be elaborating on some of them below.

One topic in which we have a continuing interest is the Argentine Government's attitude to human rights. The same comment applies to Uruguay and Paraguay, although these countries have recently received less international attention. There is concern in Australia, as in other countries, about the methods used in the Argentine Government's anti-terrorism and anti-subversion campaign. It appears that the Government on occasions has abetted, or at least was unwilling to act against, right wing terrorists. Departmentally, we appreciate that terrorism, by both the extremist left and right, is a long standing problem inherited by the Videla Administration, that it faces the Argentine Government constantly with most complex and serious problems and that its left-wing extremist opponents are conducting a well-funded propaganda campaign against it. But, allowing for all that, there is much genuine concern in Australia, as in other Western countries, about the methods used to deal with the problem and there is well-substantiated criticism from impartial sources. Australia cannot condone the Argentine Government using, or closing its eyes to the use of, the same sort of tactics that terrorists use against it. Moreover, we believe, on the basis of what has happened elsewhere, that the use of such tactics inevitably generates resentment and that this compounds the problems of instability and subversion; it is thus not in the Argentine Government's own interests. It seems likely that Argentina will recover the sympathy of Western democracies only if the Government renews and practices its commitment to the rule of

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law by ensuring that no-one is deprived of life or freedom except in accordance with publicly proclaimed provisions of law, however severe, which can be shown to have impartial and universal application within the country. The complexity of the situation is often overlooked by Argentina's critics and the distinction between the hard-line and moderate forces within the Government is not understood. This apart, the present human rights situation in Argentina is likely to remain a constraining influence on any new Australia/Argentina initiatives.

We are following with interest the developments in the power struggle between the hard line and moderate factions in the Armed Forces, now complicated by the Graiver scandal. The outcome will obviously have important repercussions for Argentina's image abroad, with all that this implies. We will be interested to hear your evaluations of what influence if any, foreign criticism, particularly from the United States, has had on both the moderate and hard-line forces within Argentina. As you know, the Minister has spoken to the Argentine Ambassador about the concern which exists in the Australian community about human rights in Argentina.

We are grateful for your efforts with the Argentine authorities in seeking information about persons concerning whom we have had representations. We appreciate the limits of our involvement where people are not Australian citizens, but we believe that our expressions of concern might have a positive, albeit limited, effect.

A comprehensive Australian policy on human rights is presently being considered by the Minister and senior departmental officers. We are aware that our involvement must be substantially pragmatic rather than moralising.

Uruguay too has come more to the attention of the international community because of human rights abuses, although to a lesser extent than Argentina. Your reporting on Uruguay has also been good and we appreciate your efforts, particularly in view of the added difficulties of reporting on a country in which you are non-resident. We agree with your assessment that our interests in Uruguay remain as described in your previous review, and I feel that your efforts in relation to that country have been very satisfactory. The Uruguayan Charge in Canberra has sought the Department's support in discouraging a visit by an ILO group to investigate trade union rights. We were unable to respond positively to this request. The Charge has also sought to explain the human rights situation in his country to Departmental officials. The Uruguayan desire for international respectability could have been the reason for the Charge's persistent suggestion earlier this year that we send an observer to the OAS conference on Education, Science and

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Culture in Montevideo. Uruguay remains on the periphery of Australia's interests, but we would like you to continue to monitor developments, particularly in the human rights field and concerning the evolution of the military government's policies.

Now that the Bartons have left Paraguay, the substance of our relationship is slight. Human rights in Paraguay is a topic of interest and we have noted indications that Paraguay is attempting to improve its image, perhaps in response to United States pressure. Other topics of interest to us relate to Paraguay's relations with its two large neighbours, Brazil and Argentina. It appears that rivalry between them over the use of the waters of the Parana River in conjunction with Paraguay will be settled amicably. Naturally, any substantial development which does take place will have a significant economic and political impact on a small country like Paraguay.

Returning to political developments in Argentina we are interested in your views on how the military government's internal and foreign policies develop. Argentina appears to be striving to strengthen relations with its Latin neighbours after neglect during the last Peron Government. We would be interested in any information you can obtain on how closely the Governments of the Southern Cone co-operate on matters of security and, all being conservative military governments, how similar their objectives are.

The recent decision in favour of Chile in the Beagle Channel case may give rise to problems if the Argentina Government is unable to accept the decision. We will be interested to hear how they respond. The dispute over sovereignty concerning the Falkland/Malvinas Islands seems even more complex. The suggestions that the Malvinas Basin could contain 200 billion barrels of oil (or double the Western Hemisphere's current proven reserves) adds another dimension to the dispute. It is our impression that neither the Argentines nor the British have much room for compromise.

I am pleased that you have found briefing material sent to you adequate and that you have had mutually beneficial dialogues with Argentine officials. We hope these contacts can be maintained. You should not hesitate to ask the Department to provide information on any topics which you consider may have been neglected or which you consider deserving of more attention.

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I was pleased to learn that you and your staff have been able to travel fairly extensively within Argentina. I consider it important that officers of the Mission become acquainted with regions of the country beyond Buenos Aires and hope that you and your officers will continue to take advantage of opportunities to travel as funds allow.

Your contacts with Argentinian officials on Law of the Sea and Antarctica have proved helpful and valuable. Especially as regards Antarctica, we have a common interest with Argentina both as Antarctic Treaty Consultative Parties and as States with territorial claims. Along with the other Southern Hemisphere claimant States, Chile and New Zealand, we have held useful talks prior to recent meetings of the Antarctic Treaty Powers (for example, in Paris in June 1976 and in London in March 1977). We try to repeat to you all substantive material on policy aspects in relation to Antarctica together with Australian delegation briefs and reports from various Antarctic meetings. This material should provide sufficient briefing for regular talks with Foreign Ministry officials.

We value your reporting on the Argentine approach to United Nations matters and will do our best to keep you posted on matters we consider worth discussing with them. Argentina stands out as one of the most active of the Latin American States in United Nations work. The Argentine Ambassador in New York will chair the Preparatory Committee for the Special Session on Disarmament. Your comments on their approach and interests - and their views on others - are always of interest.

The Department of Transport agrees with your comment that any attempt by ELMA - Argentina National Line - to enter the Australian trade should be actively discouraged. There are a number of reasons for the Department of Transport's attitude: (a) Brazil accounts for nearly 90 per cent of our trade with the region. At present Argentine cargo would not be sufficient to load one ship a year; (b) the trade is already "over-tonnaged", even though served by only one carrier, Lloyd Brasileiro; (c) additional capacity on the route would be uneconomical; and (d) the Australian Government is not prepared to subsidise the service. The Department of Transport has commented that Lloyd Brasileiro did not pioneer the route. It has been operated previously by a service subsidised by the Australian Government (1961-65), then by R.I.L. and lastly by Mercury Shipping Line.

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Concerning the Polar air route, Australia consistently takes the position that, as with all approaches for the establishment of air services, there must be a demand for 3rd and 4th freedom traffic sufficient to sustain viable services by both carriers concerned. We are not satisfied that sufficient demand exists at present to justify an Argentina/Australia air service via Antarctica. In addition, it is understood that there are operational problems which need to be overcome before any such service could be practicable.

The Department of Overseas Trade has commented that overall there were no major difficulties in Australia's trade relations with Argentina, Uruguay or Paraguay, in the past year. The concern expressed by Argentina at the bilateral imbalance in Australia's favour early in 1976 has eased, albeit for the unsatisfactory reason that there was a drop in trade between the two countries in 1976. With regard to multilateral matters, there were useful exchanges with Argentina concerning the GATT Consultative Group on meat.

Nuclear matters are at present attracting considerable interest on the Australian political scene, not only for domestic reasons (the development of new uranium mining operations) but also because of developments in the international arena. Nuclear energy planning and attitudes to safeguards are of continuing interest to us, and for this reason I would like you to continue to maintain a watching brief on Argentina's own nuclear program and possible uranium requirements. We would also appreciate being kept informed on any developments in Argentina's attitude to the FRG/Brazil agreement. We appreciate that you have covered the Canada/Argentina Agreement; in view of Canada's leading role in the development of international safeguards and Argentina's position in terms of the latest Canadian requirements that is, that Canada's customers must be either parties to the NPT or otherwise accept IAEA safeguards on their entire nuclear industry, you might also keep this subject under review, as the policies of major uranium exporters continues to evolve.

The Department of Primary Industry has reaffirmed its belief in the value in maintaining a sound level of contact with Argentina in the agricultural field. It may be of interest that Mr Ives has mentioned the worth of continuing liaison to his colleagues, the State Directors of Agriculture/Primary Industries, and will use whatever opportunities occur to maintain interest at the State as well as Commonwealth Government levels. The Department of Primary Industry has a particular interest in maintaining an information flow, for example in relation to wool and wheat, and in general commend the thought in the review that possibilities of further liaison development should be explored.

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I turn now to the question of concluding new extradition arrangements with Argentina, Paraguay and Uruguay to replace the existing Imperial treaties. This was an Attorney-General's Department initiative which was dropped during the Barton negotiations, because any questioning then of the Imperial treaty with Argentina might have prejudiced our negotiations with Paraguay. A copy of your Memorandum No. 79 of 1 March which discussed the matter was passed to the Attorney-General's Department for their views as that Department has the principal responsibility for administering extradition treaties. We are still awaiting their comments. Pending receipt of these comments, we consider that it would be premature for you to proceed with the negotiation of new extradition treaties with the three countries concerned.

We note that there have been relatively few consular cases, but the increasing number of Australians travelling in South America will no doubt have an effect. We are concerned about the treatment received by an innocent Australian when detained at Puerto Pilcomayo. Argentina is party to the Vienna Convention on Consular Relations and under Article 36 of that Convention is required to inform foreign citizens who are detained of their right to contact a consular officer. We should be glad if the protest made to the Foreign Ministry in June could be followed up with a view to obtaining an official explanation from the Argentinian authorities. We hope to obtain at least an assurance that there will be no repetition involving an Australian national.

We will not be assisting an Australian entry in the 1977 Sao Paulo Bienal or a post Bienal tour of South America. The Australian Council is considering sponsoring an entry, but it is unlikely that they will sponsor a post Bienal tour also. Because of the continuing restraint on public expenditure, the proposed cultural relations program for 1977/78 is concentrated upon regions of most immediate political significance to Australia. It does not include a visit by musical or other groups to South America. A film festival is tentatively proposed for Argentina, subject to provision of funds in this year's appropriation.

It remains our intention that an early conclusion to the Australia/Argentina Cultural Agreement should not be pursued. New cultural agreements are not encouraged by the Government and the low priority accorded South America in cultural considerations in 1977/78 would not enable us to meet normal expectations for expanded activity under such an agreement.

We agree that sporting visits to Argentina should be encouraged, although for the time being the initiative in this area must be taken by sporting bodies themselves.

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With continuing restraints on public expenditure, funding under SOVF is likely to remain right in the financial year 1977/78. If so, we will be able to implement only the best proposals: only an outstanding nominee would have a reasonable chance of being offered an invitation to visit Australia under SOVF. Specific offers of academic awards to countries in the Post's area of responsibility are unfortunately not possible under current financial circumstances.

With regard to your information program, we are encouraged by the relative success of the placement of printed material in Spanish and the Australian Information Service has noted the interest in agricultural developments in Australia. The development of new press outlets during your tours in the provinces was particularly pleasing, as was the increase in film usage.

On administrative matters it is expected that the Public Service Board will accept the Inspector's recommendation to include locally-engaged staff in a medical benefits scheme and will proceed to a determination shortly. The Department of Finance has completed its actuarial examination and has given us to understand that it will approve the Board's recommendation that the locally-engaged staff be enrolled in the National Pension Scheme.

The Department's Internal Auditors reported favourably on the post's overall administrative performance but noted that there were some problems in funds control through the commitments register. These problems were compounded by fluctuations in exchange rates, strikes and inefficiency in the banking industry.

The Department has discussed your locally-engaged staff establishment with the Public Service Board at some length and will shortly be forwarding for your comments an organisation rearrangement based on the Inspector's recommendations. As stated in separate correspondence, we recognise the difficulties you are having in providing adequate support for the Regional Medical Director. However our capacity to help posts continues to be extremely limited, given current staffing and budgetary stringencies. We have, I am afraid, every reason to believe that matters will not improve next year and I regret that, for the foreseeable future, we will be unable to provide you with additional staff.

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- 8 -

We are aware that a significant part of your activities is in the migration area. We have referred your detailed report on migration matters to the Department of Immigration and Ethnic Affairs. They advise that they have no specific comments to make on your review.

I look forward to discussing matters affecting your post with you during my Post Liaison visit in July.

Yours sincerely,

P. G. F. HENDERSON

(P.G.F. Henderson)

His Excellency Mr H.W. Bullock,
Ambassador,
Australian Embassy,
BUENOS AIRES.

CONFIDENTIAL

FOREIGN AFFAIRS

FILE No.....

DATE.....

SUBJECT *ANNUAL REVIEW: ARGENTINA - DEFENCE ASPECTS*

FOR.....

~~Mr Ness~~
~~Canada, Caribbean~~
~~and Latin America~~
~~Section.~~

Q

*We have no comment on defence aspects
in the Annual Review for Argentina,
other than to agree that our
interest lies in discouraging Argentine
approaches for training in Australia.*

RA Newson

*Defence Plans & Policy
Section*

12/4.

FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 28 March 1978

SUBJECT

ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY

FOR... Adviser on STE

AS Nuclear Policy
AS Nuclear Safeguards

LSA

CP

IMM

PP

IP

CUL

UNP

OECD

APLOS

CON

ALA

GL

Dept. Trade &
Resources

(Attention: FAS
Trade Relat. Div.)

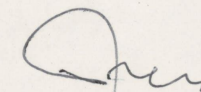
Dept. Immigration
& Ethnic Affairs

Director ADAB
(Attention: Intern.
Training and Educa-
tion Branch

Attached is a copy of that part of the Annual Review of Australia's Relations with Argentina, Uruguay and Paraguay for the period March 1977 to February 1978 which is relevant to your section.

2. To assist us in preparing a draft reply for the Secretary's signature, we would be grateful for your comments on the points raised in the review by Friday 15 April to enable us to meet the deadline set by the Executive Secretariat.

3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976.



(F.C. Ness)

Head,

Canada, Caribbean and Latin
America Section

Mr N,
Pls consider
GRB
3/12

Ms/Margerson
Any comments?
Otherwise a
"nil" return.

D.P.
It wd appear
that these are
your's + not
PPS
MAL
28/3

→ file : 226/9/10

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ANNUAL REVIEW OF AUSTRALIA'S RELATIONS WITH ARGENTINA,
URUGUAY AND PARAGUAY
MARCH 1977 - FEBRUARY 1978

SUMMARY OF AUSTRALIAN INTERESTS

CCC
The basic pattern of Australian interests in Argentina, Uruguay and Paraguay remains the same as in previous years. Relations with each country have remained free of substantial problems, a reflection more than anything else of the low priority which each side affords the other in its respective foreign policies. In these circumstances, which seem unlikely to change much in the next few years, the post's energies have been directed more to advancing the established interests outlined below rather than to broadening horizons.

(A) Argentina

CCC
LCA
Our major political interest continues to be to develop habits of cooperation and consultation with Argentina on international matters of common concern. In this context Antarctica, always an important element in our relationship, is becoming increasingly so. United Nations matters (including disarmament) and Law of the Sea are other important areas. Our main interest in internal political developments is to monitor the human rights situation and to make our views known whenever suitable opportunities arise. Our economic interests also focus primarily on developing and maintaining consultation and cooperation in international forums, particularly those dealing with meat and wheat where current difficulties have made it more important for both countries as major world producers to minimise actions cutting across each other's interests. In this context Australia and Argentina have many points in common in their approach to current negotiations on a new international wheat agreement. On meat both have agreed, along with New Zealand and Uruguay, to discuss arrangements for the marketing of their exports. With economic reforms and substantial progress towards economic recovery in Argentina, the scope for increasing bilateral trade is widening, although shipping continues to be a major problem. Trade
Best prospects seem to be raw and semi-processed materials, (e.g. alumina, coal, steel). There could also be openings for the sale of Nomad aircraft.

Imm
We continue to have strong interest in attracting good quality migrants from Argentina, although economic difficulties in Australia have imposed limitations. The volume of enquiries continues to be very large. Pressures on us to take refugees have also eased, although substantial numbers, mostly Chileans, still remain in Argentina. We continue to have a humanitarian and political interest in maintaining as positive an attitude as other commitments will allow towards accepting refugees. This also applies to political detainees who might seek to exercise their newly established right of option to leave Argentina. On defence our interest continues to be to discourage sporadic Argentine approaches for closer cooperation (e.g. training in Australia). Defence
The projection of a favourable image of Australia as a modern,

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energetic and culturally alive country remains a fundamental information and cultural interest. Despite financial restraints, there appears to be scope for widening our activities in this field.

IP
CUL

(B) Uruguay

Australia's basic interests in Uruguay remain unchanged from those defined in previous reviews. The processing of migrants will continue to be the area of most immediate concern in our dealings with Uruguay, but we also have a more general interest in monitoring political matters such as human rights and progress towards the restoration of democratic institutions and economic policies relating to wool, beef and other commodities. There is also some scope for pursuing information and cultural activities as opportunities arise.

CCL
CP
IP
CUL

(C) Paraguay

In keeping with Paraguay's low priority in Australia's foreign policy considerations our interests in Paraguay will remain minimal. We will continue to report as necessary on significant political developments, particularly those relating to human rights, and Paraguayan attitudes on commodity matters of mutual concern.

CCL

AUSTRALIA'S RELATIONS WITH ARGENTINA, URUGUAY AND PARAGUAY

ARGENTINA

Relations were cordial and free of problems during the year. Argentine energies were concentrated on the basic objectives of restoring economic health and eliminating terrorism and considerable progress was made on both fronts. However human rights concerns have not been given the priority we might wish; the operations of "para-police" have not been curbed, and unexplained disappearances of lawyers, journalists, clerics, nuns and ordinary citizens have continued. Most of those who have disappeared are presumed to have been murdered. People continue to be detained under state-of-siege provisions for indefinite periods without charges; a full list of state-of-siege detainees (officially numbered at 3607) has been promised, but so far only 1923 names have been released. The re-establishment in September of the constitutional right of detainees to opt to leave Argentina has resulted in several applications made by relatives or others on behalf of detainees wishing to go to Australia. We can expect more. While current immigration policy and the difficulty of obtaining access for personal interviews precludes much positive action, we believe that there is scope for special consideration to be given to the few cases where a strong Australian connection exists (e.g. close relatives living in Australia). We are pursuing the case of Ana Maria Mohaded in this spirit.

CCL

imm

We had occasion during the year to make some representations on human rights matters involving non-Australian citizens. While the Foreign Ministry was

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CNP
prepared to listen, firm information was virtually impossible to obtain. Nevertheless, we believe that it was and continues to be valuable to let the Argentines know that there is concern in Australia about human rights in Argentina. For example, our representations together with those of others, could have contributed to the release of detained author Antonio de Benedetto.

The Argentine interest in Australia as a useful model for framing new policies and legislation which was noted in the last Annual Review, manifested itself from time to time, although as the broad lines of reform in many areas have been established there has been less need to look for models. Nevertheless, we have endeavoured to give prompt and full responses to those enquiries we have received.

CCL
Relations with the Asia and Oceania Department continued to be good, although there have been a number of personnel changes. We have gained the impression that at the Canberra end the Argentine Embassy, for one reason or another including staff shortages, has not been particularly dynamic.

CCL
Prompt messages of sympathy from the Minister concerning the attempted assassination of Foreign Minister Guzzetti in May 1977 and the San Juan earthquake in November 1977 were well appreciated.

URUGUAY

CCL
Relations with Uruguay continued to be problem-free throughout the period under review. Moves towards the restoration of democratic institutions and in particular President Mendez' announcement that national elections would be held in 1981 constituted the most significant political developments. These have not had, and probably will not have much impact on future relations between our two countries.

IP
The Embassy was involved in some press activity following the publication of articles which alleged neglect of Uruguayan migrants in Australia. The question was settled satisfactorily following the publication of statements by the Minister for Immigration and Ethnic Affairs. The incident indicated the relatively high level of interest in Australia and we could probably place more material with selected media outlets in Uruguay.

PARAGUAY

CCL
CNP
As forecast in the 1976/77 Annual Review relations with Paraguay were fairly low-key during the period under review. Our only dealings of substance with the Foreign Ministry were confined to repeated representations on behalf of a political detainee - Dimas Prisciliano Acosta - who was finally released in November after some 12 years. In concert with other western countries our representations may well have had a cumulative effect in securing his release. As in the case of Uruguay, we may well need to pursue other cases of political detainees in the future.

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TRADE RELATIONS

Trade
CP

There has been a degree of economic recovery in Argentina since the military took over government in March 1976, but this has been slower than originally expected by the business community. Although the annual rate of inflation has been reduced from approximately 350% in 1976 to some 160% in 1977 and full employment has been achieved, the Argentine economy is still afflicted by one of the world's highest rates of inflation and persistent idle capacity in the industrial sector. High rates of interest preclude local industry from seeking credit for expansion programmes; in many cases they represent a major contributing factor in the bankruptcy of medium-sized manufacturing firms which require finance for their day-to-day operations.

The above factors have caused Australian exports to Argentina in 1976/77 to remain at the 1975/76 level of \$A28 million compared with \$A42 million in 1974/75. Steel slabs, blooms and billets continued to be the major export items to Argentina, although the volume of exports was lower than in former years due to the recession prevailing in most of the local manufacturing industries. Although this depressed situation is likely to continue throughout 1978 it is expected that sales of semi-finished steel products will be higher than in 1976/77; the fact that exports of slabs and blooms in the first quarter of 1977/78 almost attained the same figure reached in the previous 12 months period gave reasonable justification for this assumption. Alumina continued to be of increasing importance in Argentine/Australian trade. Aluar's purchases reached almost \$A9 million in 1977 and in the present year are expected to be higher. Despite the depression faced by the local steel industry, exports of Australian coking coal to Somisa (the Argentine Government steel mill) were resumed and amounted to some \$A2.7 million. The trend of shipping mineral sands direct from Australia continued and as a result exports of rutile and zircon ores accounted for some \$A700,000 in this period. Again, the downturn in economic activity could hamper sales of this commodity in 1978.

The period under review has not been very bright for exports of motor vehicle parts and sugar harvesting machinery. Neither has it been for grass seeds; these accounted for \$A0.5 million some five years ago and only reached \$A45,000 this year. There are few prospects of reversing this trend in the foreseeable future, at least until prices for livestock and meat products recover or development of pastures in the Argentine sub-tropical region is strongly encouraged.

While prospects are still limited by Argentina's economic problems, there are certain deals which could increase our trade balance:-

(a) Coal - an Australian Coal Mission visited Argentina in November 1977 with the aim of detecting short and long-term possibilities for the Australian coal industry. During the course of their visit, Somisa advised that they are looking for an alternative source of supply (other than the U.S.A.) of high volatile coal; there are strong possibilities that

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in 1978 Somisa will be importing 100,000 tonnes of Australian high volatile coking coal valued at around \$A6 million provided quality and prices are competitive.

(b) Nomad - GAF agents are currently working hard on selling Nomad aircraft to Argentine provincial governments, but are facing strong competition from other suppliers, in particular the Israelis. If an initial sale of two aircraft (worth \$A1.5-2 million) is made to Misiones Province, others are likely to follow.

(c) Heart Pacemakers - the Australian company Telelectronics have appointed a local agent for the sales of their pace-makers; sales of up to \$A300,000 are regarded as a feasible target in the first year of activities.

DECD
With regard to longer-term prospects, the relaxation of import duties, easier financing terms for imports of capital goods and new legislation regarding industrial promotion, foreign investment, licencing arrangements etc. suggest that in the coming years there could be increasing export opportunities for Australian products and for Australian businessmen to participate in joint ventures with local firms. To take full advantage of these opportunities it is most important for Australia to become a member of the Inter-American Development Bank. The number of projects which receive credit lines from this organisation is increasing every year; most hydro-electric schemes, industrial projects and assistance programmes being developed in the area are financed by this organisation. Most developed countries are members and are therefore able to participate in projects financed by the IADB. Australia, as a non-member, can not.

Trade activities with Paraguay continued to be almost negligible mainly because of distance, high freight rates and cheaper sources of supply from neighbouring Argentina and Brazil. However, economic prospects are improving with the development of joint hydro-electric schemes, and it is therefore not a market to be neglected. With effort on the Australian side, trade with Paraguay could pick up.

Regarding Uruguay, the depressed international situation for commodities of animal origin has been the main reason for the reduction in sales of Australian goods to only \$A0.5 million. With decreasing livestock numbers, the Plan Agropecuario is in deep financial trouble, and there are few expectations of increasing exports of pasture seeds and agricultural equipment in the foreseeable future. Despite this setback, Uruguay will finally be honouring the last step (worth \$A250,000) of the supply contract for grass seeds undertaken with South Australian Seedgrowers Co-operative some years ago. We also learned recently that 7,500 tonnes of malting barley worth about \$A1.2 million have been ordered from Australia by a Uruguayan firm.

IMMIGRATION

1mm
The region in South America controlled from Buenos Aires continued to be an important source of migrants. However, high unemployment in Australia and a diminishing

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schedule of skilled occupational classifications sought by the various States in Australia were limiting factors. Nevertheless, in the financial year 1976/77 settler arrivals from Argentina, Uruguay, Paraguay and Brazil totalled 1954. This exceeded the number of movements from the rest of Latin America and was also higher, in most instances, than the figures for the more traditional source countries. Arrival statistics for the year ended December 1977 are not yet available, but it is estimated that the figure will be much the same as for the financial year. This will be achieved despite a seating availability reduction of 340 on charters as against 1976 and considerably higher cost of fares on scheduled flights due to devaluation of the Argentine Peso against the U.S. Dollar.

Migrant settlers also found difficulty in actually obtaining seat reservations during the early months of the year. In January 1977, Air France withdrew its trans-Pacific service to Tahiti. Lan Chile, the only direct airline, was already fully booked at the time but the pressure was relieved after Lan Chile secured an additional aircraft to introduce a bi-weekly service from the end of March 1977.

The number of first enquiries was again extremely high at 24,902 for the year. It was lower than 1976, the year of the military coup, but was still well in excess of preceding years. Rigid control of pre-selection of applicants was continued, as in 1976, to conform with migration programme requirements. There was greater emphasis on skilled worker categories that could fulfill the requirements of the Tradesmens Rights and Regulations Act. This placed a heavy burden on the Senior Technical Adviser, who is required to service all ten South American countries from Buenos Aires. In total 5241 persons were interviewed for migration to Australia from which 1855 were approved for admission. At the end of the year there were 1470 awaiting interview, 1836 awaiting determination and 635 approved awaiting visa issue.

AP105 / Locally engaged staffing was the subject of a number of reviews which were centred principally around the necessity for support staff for the Technical and Medical officers whose responsibilities cover all of South America. Problems are still unresolved. The question of financial responsibility for travel by locally-engaged interpreters accompanying Migration Branch officers from Buenos Aires on interviewing tours to countries outside the Embassy's area of accreditation also remains unresolved.

The three interpreters provided originally for the three interviewing officers have been utilised where possible to cover gaps, but there are backlogs. The appointment of an interpreter for the Senior Technical Adviser is dependent on formal PSB approval of a reclassification proposal which has been with the Board some time.

The definition of the actual duties of the Medical Officer has been under inter-departmental examination with the Public Service Board since the position was created. A world review of medical services recently undertaken by an inspection team from the Departments of Health, Immigration and Ethnic Affairs and the Board may resolve this.

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The control of temporary entrants to establish bona fides and reduce the number of overstayed visitors to Australia was time-consuming. A total of 126 applicants were rejected from 695 applications representing 919 persons. The number of visas issued totalled 590 covering 792 persons.

CC
Argentine Government moves to regularise the status of illegal entrants (including refugees) have proceeded slowly. Of the 8400 refugees estimated by the UNHCR to be resident in Argentina, only some 4000 are reported by the UNHCR as having registered as required by the Argentine authorities by the end of July 1977. At that time 40% of the 832 persons whose dossiers had been examined were allowed to remain in Argentina. Lists of persons whose presence in Argentina was not desired were forwarded progressively to the UNHCR for resettlement action. The total number of refugees listed up to the end of December 1977 was 1023. Refugee movements to receiving countries for the year were reported to be 2000.

In September a survey was conducted in consultation with the Inter-Governmental Committee for European Migration (ICEM), to assess the potential for the introduction of pre-embarkation English language training for settlers from Argentina and Uruguay. ICEM has prepared a report for its headquarters in Geneva and there will be further consultation with the Department in Canberra on organisation and estimates for a preliminary programme.

The Committee on Overseas Professional Qualifications (COPQ) engaged the services of Professor R. Johnson who holds the Chair of Spanish and Latin American Studies at the University of New South Wales to complete a survey of Latin American professional standards. Arrangements were made for visits to universities in Paraguay, Uruguay and city and provincial institutions throughout Argentina. A screening examination for dentists, the first such examination in this region for professional applications, was conducted 24-27 January 1978, and the results forwarded to COPQ for assessment. It may be anticipated that this function will expand. A further examination has been foreshadowed for April 1978.

POST ACTIVITIES

The following were the posts major activities during the period under review:-

1. Reporting

(a) Argentina

CC
Nuc
CP
We have endeavoured in our reporting to be selective and to concentrate on trends rather than detail. We have covered the military Government's very cautious progress towards creating the "civil-military convergence" upon which a return to democracy could be based; we have also focussed particular attention on human rights and nuclear energy matters. Economic reporting has been by quarterly savingram supplemented by commodity reports prepared by the Commercial Section and

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brief items in the general monthly savingram. The Government's decision to give top priority in 1978 to controlling inflation means that progress towards economic recovery will have an increasingly important bearing on the Government's political future. We hope to reflect this by concentrating more on the political aspects of economic trends and less on statistical detail.

CCL
UNP
Reporting on international issues reflected Argentina's policy of giving priority to relations with neighbouring countries. Main subjects have been relations with Brazil and Chile (Beagle Channel dispute), and hydro-electric projects on the Parana River. Relations with the United States has also been a prominent topic. The main areas of dialogue with the Foreign Ministry have been Antarctica and United Nations matters, particularly candidacies, where Argentina has consistently given us support. In this context our decision to support the candidacy of Dr Amadeo for the Human Rights Sub-Commission has been welcomed.

(b) Uruguay

CCL
UNP
Reporting on Uruguay continued to be based on quarterly savingrams supplemented as appropriate by memoranda dealing with such issues as the transition to democracy, relations with the United States, Uruguay's role in regional organisations and human rights. With regard to the latter we have, on your instructions, recently made approaches to the Foreign Ministry in cases involving the detention of lawyers. Unless there is a reversal of the Uruguayan Government's arbitrary policy on questions of detention without trial and human rights in general, the need to make further representations on behalf of individuals may well arise again in the future - all the more so if the vigilance of such organisations as Amnesty International and the International Commission of Jurists is maintained. In the coming year these themes, together with developments in relation to selected commodity matters of mutual interest, will doubtless continue to be the major focus for reporting.

(c) Paraguay

CCL
Our reporting has focussed mainly on human rights matters and on developments relating to joint Argentine/Paraguayan and Brazilian/Paraguayan hydro-electric projects on the River Parana. These projects will continue to be of significance not only in the context of the economic development of Paraguay itself but also with respect to the Paraguayan Government's attempts to balance relations with Argentina and Brazil in order to extract the maximum from both. We will continue to report on this and other internal political developments as appropriate.

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2. Human Rights Representations

Following representations from P.E.N. Sydney Centre to the Minister about author Antonio Di Benedetto, detained without charges, we registered our concern with the Foreign Ministry. Other missions did the same. Di Benedetto was released in September 1977.

3. Right of Option Cases

So far we have received representations on behalf of ten detainees. Our response has been to say that there exists no special programme to cover such cases, but to ask for personal details (as per form M47) to enable us to assess whether or not the detainee meets normal migration criteria. Following ministerial representations in Australia, we are seeking access to interview Ana Maria Mohaded, who has applied to go to Australia. We believe that we should pursue as positively as we can, this case and possibly others where a strong Australian connection exists and would be glad for confirmation that scope exists for special consideration to be given at least on humanitarian grounds to applications from detainees whom it may not be possible (e.g. because of lack of access to prisons) to process fully in the normal way.

4. Travel

In addition to regular visits to Paraguay and Uruguay for reporting and representation purposes, the Ambassador made official visits to the provincial capitals of Formosa, Rawson (Chubut), Viedma (Rio Negro), and La Plata (Buenos Aires). He also visited other provincial cities such as Rosario, Salta and Junin. The First Secretary made an official trip to Tierra del Fuego. The Third Secretary made routine visits to Asuncion and Montevideo. In the coming year we hope, funds permitting, to extend our travel in the Argentine interior. There exists considerable scope to publicise Australia and to foster goodwill. Officers will also gain a better understanding of Argentina and its problems.

5. Official Australian Visitors

Australia was represented by a six-member delegation, led by the Minister for the Northern Territory and Minister Assisting the Minister for National Resources, at the United Nations Water Conference which was held in Mar del Plata from 14 to 25 March 1977.

6. Non-Official Visitors

Two representatives of the CSIRO's Division of Tropical Crops - a soil scientist and a botanist - made an investigatory tour of northern Argentina in

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April/May during which they made useful contacts with federal and provincial research institutes and collected specimens of local flora. Three Australian academics participated last December in a seminar on Australia and Argentina organised by the Instituto Torcuato di Tella. We believe that visits and exchanges of this sort, particularly in the agricultural field, represent one of the best avenues for building bilateral goodwill. Professor Johnson of the University of New South Wales visited universities and other institutions on behalf of COPQ in November.

7. Information Activities

IP
Information activities continued to progress during the period under review, although scope for the distribution of printed material has been severely restricted owing to financial cutbacks. Nevertheless, new press outlets have been established (particularly in the course of provincial tours); the film loan programme has virtually reached its maximum capacity; tape loans have increased; and officers of the Embassy have been increasingly involved in public speaking engagements with local institutes, radio and television. The post has recently acquired an information exhibition which will be a useful means of presenting a favourable image of Australia both in Buenos Aires and the provinces. As noted above there is scope for more information and cultural activity in Uruguay; in Paraguay opportunities are limited by the high level of illiteracy and the absence of a developed media infrastructure.

8. Cultural Activities

CUL
There were no exhibitions of Australian art works or tours by cultural groups over the past year. An important and highly successful event, however, was the commercial screening of the Australian film "Caddie". The distributors permitted the Embassy to use a print of the film for a preview to which media and cultural representatives were invited. The success of "Caddie" has stimulated Argentine interest in securing other Australian films, and we would hope that modest funds could be made available as required for us to organise previews.

ADMINISTRATION

APLOS
While the rate of inflation decreased progressively during the period under review (160.4% in 1977 as against 347% in 1976) the economic situation in Argentina has remained unpredictable in many aspects. Consequently, the Embassy has continued to experience considerable difficulty with accurate budgeting and estimating.

Continued staffing restrictions and financial stringencies coupled with inflation and a large attached

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NAA: A1838, 226/9/10 PART 2

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establishment (two Counsellors and 10 other officers) have had the effect of increasing the volume and complexity of administrative work at the post. The major areas of difficulty have been A-based local allowances, locally-engaged staff salaries and rentals, all of which have required constant monitoring.

The post was visited by Messrs. Henderson and Manton of the Department of Foreign Affairs in July 1977. The visit was most useful, not the least because one of its results was an interim increase to local allowances. However, we regret that an acceptable permanent system for interim adjustments to allowances has still not been worked out.

We have continued to monitor rentals and keep the OOB informed of inflationary pressures on the rental market which are likely to continue for some time. We hope that the regulatory authorities will continue to be sympathetic. We would expect substantial increases to existing rent ceilings following the next PSB Inspection in September 1978.

There has been some improvement in the security situation during the period under review. Nevertheless, officers at the post still need to be continually conscious of security. The need for additional or alternative security measures is constantly reviewed.

CON There has been a marked increase in the volume of consular activity, although we have fortunately been spared any cases of a highly complicated, sensational or delicate nature. There are 103 Australians registered with the Embassy and 42 passports were issued during the year ended 28 February 1978. On average, three (3) Australians per week seek consular assistance or guidance of some sort. There is a trend, which we expect to continue, for many Argentine immigrants to return either temporarily or permanently to Argentina. A great many of the problems coming to our attention thus involve dual nationality.

REVIEW OF INITIATIVES PROPOSED IN PREVIOUS PREVIEW

As in the previous year, financial and staffing restrictions limited our capacity to carry out initiatives.

- Nuc
cc HHC
1. Contacts with Ministries and other Government agencies (notably the National Atomic Energy Commission) were maintained. Close relations were developed, in particular with the Antarctica Division of the Foreign Ministry.

2. Cultural Events

ccc CUL No formal cultural events were programmed for this post owing to financial restrictions.

3. Scholarships

ccc
INT
train
ALA No AIAS or SOVF awards were made in Argentina, Uruguay or Paraguay, although a number of Argentines and Uruguayans went to Australia under FAO awards.

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4. Sporting Teams

CCC
The Australian Davis Cup tennis squad played against Argentina in September and attracted a great deal of favourable publicity. The polo team visit mentioned in the last review did not eventuate.

5. Extradition Treaties

GL
TR
Despite repeated requests for advice, no guidance has been offered by the Department as to whether we should pursue the question of concluding new extradition arrangements with Argentina, Paraguay and Uruguay.

6. Cultural Agreement

On instructions from Canberra this was not pursued.

7. LES Problems

APL 05
Provisions for LES participation in a medical scheme have been implemented. We await final approval from the Department of Finance to enrol LES in the national pension scheme. The LES re-organisation proposal is with the Public Service Board.

8. Tapes and records

IP
A small selection of taped programmes on Australian folk music has been forwarded by the AIS regional office in Mexico.

9. Agricultural Exchanges

STE
The visit of the CSIRO scientists in April/May was particularly valuable in establishing areas of future cooperation between Argentina and Australia.

10. Provincial Tours

CCC
Funds were fortunately available for the Ambassador and other officers to travel considerably outside Buenos Aires. These visits proved extremely useful in generating good-will and publicising Australia.

PROPOSED INITIATIVES

1. We should continue to explore the possibility of nominating Argentine, Paraguayan or Uruguayan recipients for an AIAS or similar award for study in Australia.
Interview
Training AAB

2. The AIS agreed in principle to receive last year an Argentine television team under the Media Visitor's Programme. Unfortunately the team had to cancel their tour, but we should do what we can to encourage the visit this year.
IP

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NAA: A1838, 226/9/10 PART 2

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3. *IP* Given the receptiveness of Buenos Aires audiences to the Australian film "Caddie", we should consider staging a festival of Australian films.

4. *IP* Noting the large amount of favourable publicity for Australia which took place during the visit of the Davis Cup team we should encourage wherever possible, visits by other sporting teams. We note that an Australian team will be participating in the World Hockey Cup here in Buenos Aires in March; other possibilities could be rugby, polo and cricket.

5. *CCL* We should endeavour to maintain a programme of provincial tours as a means of encouraging interchange in various agricultural and other fields as well as providing new outlets for press, radio and television material.

6. *NP* We should continue to develop dialogues with Ministries and other Government bodies. There is scope in particular for more contacts on disarmament and atomic energy.

H.W. Bullock
(H.W. Bullock)
Ambassador

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FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 28 March 1978

SUBJECT

ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY

FOR... Adviser on STE

AS Nuclear Policy
AS Nuclear Safeguards

LSA

CP

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ALA

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Dept. Trade &
Resources

(Attention: FAS
Trade Relat. Div.)

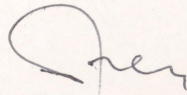
Dept. Immigration
& Ethnic Affairs

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2. To assist us in preparing a draft reply for the Secretary's signature, we would be grateful for your comments on the points raised in the review by Friday 15 April to enable us to meet the deadline set by the Executive Secretariat.

3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976.


(F.C. Ness)

Head,
Canada, Caribbean and Latin
America Section

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LSA

(A) Argentina

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Our major political interest continues to be to develop habits of cooperation and consultation with Argentina on international matters of common concern. In this context Antarctica, always an important element in our relationship, is becoming increasingly so. United Nations matters (including disarmament) and Law of the Sea are other important areas. Our main interest in internal political developments is to monitor the human rights situation and to make our views known whenever suitable opportunities arise. Our economic interests also focus primarily on developing and maintaining consultation and cooperation in international forums, particularly those dealing with meat and wheat where current difficulties have made it more important for both countries as major world producers to minimise actions cutting across each other's interests. In this context Australia and Argentina have many points in common in their approach to current negotiations on a new international wheat agreement. On meat both have agreed, along with New Zealand and Uruguay, to discuss arrangements for the marketing of their exports. With economic reforms and substantial progress towards economic recovery in Argentina, the scope for increasing bilateral trade is widening, although shipping continues to be a major problem. Best prospects seem to be raw and semi-processed materials, (e.g. alumina, coal, steel). There could also be openings for the sale of Nomad aircraft.

CONFIDENTIAL

REVIEW OF INITIATIVES PROPOSED IN PREVIOUS PREVIEW

As in the previous year, financial and staffing restrictions limited our capacity to carry out initiatives.

1. Contacts with Ministries and other Government agencies (notably the National Atomic Energy Commission) were maintained. Close relations were developed, in particular with the Antarctica Division of the Foreign Ministry.

LSA

CONFIDENTIAL

Antarctica

ARGENTINA

The part Antarctica plays in our relationship^s with Argentina will probably be enhanced over the coming months, especially as the ~~Recent~~ Special Consultative Meeting, which met in Canberra from 27 February to 16 March, resumes in Buenos Aires in July. One of the keys to the successful outcome of this meeting is finding a solution to the sovereignty issue. Among the claimant states, Argentina was in the *vanguard* of the claimant position ~~and~~ ^{its} concern over the way the sovereignty issue was turning out ~~seemed to be at the basis~~ ^{may have prompted} of the Argentinian offer to host a further session of the meeting. We need to keep in close touch with the Argentinians to assess, on a continuing basis, their attitudes to sovereignty and how importantly they regard it compared, for example, to ~~the~~ ^(the two could come into conflict) ensuring the survival of the Antarctic Treaty ~~and to securing a conservation convention~~. Later, the same approach will apply as negotiations get under way for a ~~minerals regime~~ ^{non living resources}. For our part, while it is a firm policy of the Government to maintain sovereignty over the AAT, we might be more *amenable* to ~~considering~~ practical compromises ^{is} (within the *spirit* of Article IV of the Treaty) than the Argentinians. We would not accept anything which ~~was~~ ^{is} an obvious derogation of our sovereignty, but we would not want negotiations on the vital issues of resources regimes to flounder over the inability of the Treaty Parties to find a suitable compromise formulation of the principles of Article IV of the Treaty.

ARGENTINA

*In the how of the
Sea Conference*

Argentina is a ~~vassillating~~ member of a group of states with wide continental margins of which Australia is also a member. These states advocate coastal State sovereignty over the whole margin even where this extends beyond the 200 nautical mile exclusive zone being debated by the Conference. Timely reporting of fluctuations in Argentinian attitudes on this will be of importance. ~~Any further~~ ^D developments in the disputes with the U.K. over the Malvinas, and with Chile over the Beagle Channel will also be of interest.

CONFIDENTIAL

CONFIDENTIAL

PARAGUAY

It would be useful for the post to monitor Paraguay's quest for access to the sea and its membership of the influential Land Locked and Geographically Disadvantaged States ^{Group} in the Law of the Sea Conference.

CONFIDENTIAL

FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 28 March 1978

SUBJECT

ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY

FOR Adviser on STE

AS Nuclear Policy
AS Nuclear Safeguards

LSA

CP

IMM

PP

IP

CUL

UNP

OECD

APLOS

CON

ALA

GL

Dept. Trade &
Resources

(Attention: FAS
Trade Relat. Div.)

Dept. Immigration
& Ethnic Affairs

Director ADAB
(Attention: Intern.
Training and Educa-
tion Branch

Attached is a copy of that part of the Annual Review of Australia's Relations with Argentina, Uruguay and Paraguay for the period March 1977 to February 1978 which is relevant to your section.

2. To assist us in preparing a draft reply for the Secretary's signature, we would be grateful for your comments on the points raised in the review by Friday 15 April to enable us to meet the deadline set by the Executive Secretariat.

3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976.



(F.C. Ness)
Head,

Canada, Caribbean and Latin
America Section

You could mention amongst our interests in reporting from BA any major developments in nuclear energy & nuclear safeguards policy - but not so as to suggest that this should be a prime task.

N. NS. 3/4

CONFIDENTIAL

1. Reporting

(a) Argentina

*Nuclear
Safeguards*

We have endeavoured in our reporting to be selective and to concentrate on trends rather than detail. We have covered the military Government's very cautious progress towards creating the "civil-military convergence" upon which a return to democracy could be based; we have also focussed particular attention on human rights and nuclear energy matters. Economic reporting has been by quarterly savingram supplemented by commodity reports prepared by the Commercial Section and

...8/

CONFIDENTIAL

REVIEW OF INITIATIVES PROPOSED IN PREVIOUS PREVIEW

As in the previous year, financial and staffing restrictions limited our capacity to carry out initiatives.

1. Contacts with Ministries and other Government agencies (notably the National Atomic Energy Commission) were maintained. Close relations were developed, in particular with the Antarctica Division of the Foreign Ministry.

*Nuclear
Safeguards*

Proposed Initiatives

6. We should continue to develop dialogues with Ministries and other Government bodies. There is scope in particular for more contacts on disarmament and atomic energy.

*Nuclear
Safeguards*

CONFIDENTIAL

FOREIGN AFFAIRS

CONFIDENTIAL

FILE No. 731/2/11

DATE 24 April, 1978

SUBJECT ANNUAL REVIEW: LATIN AMERICA

FOR Mr F. Ness,
CCLA

Your minutes of 28 March 1978 refer.
Our late responses are regretted.

Chile and Bolivia

2. We agree with the Post that there is scope for expansion of scientific and technical links, in particular with Chile because of our similar scientific interests and problems. At present those that do occur function due to person to person or institute to institute links. In the absence of a formal program of exchanges supported by Government funds it would seem that expansion of existing exchanges will remain inhibited, however, we believe, more through financial than political considerations.

3. Pending the outcome of a current review by officials of bilateral arrangements for scientific and technical agreements and of the value of such agreements to Australia, it is very unlikely that any initiatives will be taken in this area.

4. In the run up to the 1979 UN Conference on Science and Technology for Development, we would consider as one of the Post's reporting priorities for the period the reporting of attitudes and expectations relating to the Conference.

Argentina, Uruguay and Paraguay

5. Similar comments apply here as to the above Annual Review.

6. As spelled out by the Post, important and useful links have been established and cooperation is occurring albeit at a very modest level. Because of its comparatively high level of scientific and technical development, we would see greater scope in the immediate future for the development of scientific and technical relations with Argentina than with the other two countries.

..2/

CONFIDENTIAL

CONFIDENTIAL

2.

7. Argentina will host in 1978 a Conference on Technical Cooperation between Developing Countries and we would be interested in being informed on preparations for the Conference as well as on the development of Argentina¹² and other Latin American attitudes to the concept of TCDC.

- Aug/Sept.

D.R. O'Neill

(D.R. O'Neill)
Science Adviser's Office

CONFIDENTIAL

FOREIGN AFFAIRS

AUSTRALIAN DEVELOPMENT ASSISTANCE BUREAU

FILE No.75/3524.....

DATE.....E 7 APR 1978.....

SUBJECT ANNUAL REVIEW - CHILE AND BOLIVIA; ARGENTINA; URUGUAY AND PARAGUAY

FOR HEAD OF SECTION,
CANADA, CARIBBEAN
AND LATIN AMERICA
SECTION

Mr Parker

The extracts from the Annual Reviews for the above countries, forwarded under your minutes 226/9/10 and 230/9/5/1 of 28 March 1978, refer to the question of Australia's membership of the Inter-American Development Bank (IDB).

2. Australia currently extends multilateral aid through a number of international and regional development finance institutions including the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the Asian Development Bank (ADB) and the Asian Development Fund (ADF). Contributions to the IBRD and its soft loan affiliate, the IDA, are the means by which portion of our multilateral program is distributed on a global basis.

3. Consistent with foreign policy interests, Australia has been and continues to be a strong and active supporter of the ADB and its soft loan affiliate the ADF, because they are regarded as efficient and effective mechanisms for channelling aid to developing countries in Asia and the South Pacific. Because of the concentration of aid within our geographical region, which in respect of Asia includes many of the poorest developing countries, Australia does not support any regional banks apart from the ADB.

4. Because of the policy of regional concentration of our aid together with current budgetary constraints, it is not proposed that Australia should seek membership of other regional development banks at this stage. In the event of a change in this position it would be necessary to consider the relative merits of joining the IDB vis-a-vis other regional banks which have, from time to time, sought Australian membership e.g. African Development Bank/Fund and the Caribbean Development Bank.

(K. Detto)

Acting Assistant Secretary
International Organisations & Liaison Branch

FINANCIAL INSTITUTIONS SECTION
P.D. Charlton/MT

(F) → 1519/2/35
1519/2/49
1519/2/51

23 May 1978

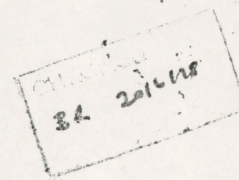
The Secretary,
Attorney-General's Department,
CANBERRA, A.C.T. 2600

EXTRADITION : PARAGUAY, URUGUAY, ARGENTINA

In its 1977 Annual Review the Australian Embassy in Buenos Aires again asked whether it should pursue the question of new extradition arrangements with the above countries. You will recall that in 1974, following a request from your Department, the Embassy was asked to initiate discussions with Argentina, but that in 1975 this initiative was stalled because of its implications for extradition of the Satchons pursuant to imperial treaties.

2. As you know, the Embassy since early 1977 has been seeking further instructions and we would be pleased to receive comments at your earliest convenience. We ourselves would suppose that negotiations with Argentina would not have as high a priority as those with Asian countries such as Indonesia, the Philippines and Japan, but that some Australian interest should continue to be shown. As for Paraguay, the number of a Treaty would be either possible or effective.

(I.J. Booth)
for the Secretary



FOREIGN AFFAIRS

FILE No.

DATE _____

SUBJECT

FOR Mr. Lee
CCL Section
(Would you please
return file).

Acting Head,
Makoi Section.

Jan Book
x 0375



TELEGRAMS 'IMMIGRATION' CANBERRA
TELEPHONE 73 0412
IN REPLY PLEASE QUOTE

G 6673.

CENTRAL REGISTER
D.F.A.

APR 28 2 21 PM '78

DEPARTMENT OF IMMIGRATION
AND ETHNIC AFFAIRS

CANBERRA A.C.T. 2600

INWARDS

20 APRIL 1978.

The Secretary,
Department of Foreign Affairs,
CANBERRA A.C.T. 2600

(Attention Mr F.C. Ness) ✓

Annual Review - Argentina, Uruguay and Paraguay

Thank you for making available part of the Annual Review concerning Argentina, Uruguay and Paraguay.

Our Citizenship Branch has asked us to let you know that a report on proposals for pre-embarkation training in Argentina and Uruguay by the Inter Governmental Committee for European Migration (I.C.E.M.) has not yet been received. However, a report from the Senior Migration Officer in Buenos Aires has been received and is being evaluated in conjunction with a wider re-appraisal of pre-embarkation activity.

D.G. BURNS
for Secretary

7/1/78



FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 28 March 1978

CLLA

SUBJECT

ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY

~~LSA~~
FOR Adviser on STE

AS Nuclear Policy
AS Nuclear Safeguards

LSA

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IMM

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OECD

APLOS

CON

ALA

GL

Dept. Trade &
Resources

(Attention: FAS
Trade Relat. Div.)

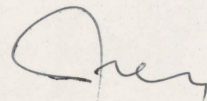
Dept. Immigration
& Ethnic Affairs

Director ADAB
(Attention: Intern.
Training and Educa-
tion Branch

Attached is a copy of that part of the Annual Review of Australia's Relations with Argentina, Uruguay and Paraguay for the period March 1977 to February 1978 which is relevant to your section.

2. To assist us in preparing a draft reply for the Secretary's signature, we would be grateful for your comments on the points raised in the review by Friday 15 April to enable us to meet the deadline set by the Executive Secretariat.

3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976.


(F.C. Ness)

Head,
Canada, Caribbean and Latin
America Section

FOREIGN AFFAIRS

RESTRICTED

FILE No. P610/BA/2

DATE 26 April, 1978

SUBJECT ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY

FOR Mr. F.R. Dalrymple
F.A.S.
Western Div.

his case

The following comments are recommended for inclusion in the Secretary's reply to the above Annual Review:

"The Department is currently examining the whole question of the structure of local allowances and the policy in relation to interim reviews. We believe that your own case demonstrates some of the inadequacies of the present policy, which was formulated in 1972, regarding interim allowance reviews. The matter is not a simple one and in considering any change to the present policy we must be certain that we do not, for example, reduce the existing package of overseas allowances conditions.

Departmental officers have again been in contact with the P.S.B. requesting approval for enrolling L.E.S. in the national pension scheme. A decision is expected in the near future.

The L.E.S. re-organisation proposal is still with the Public Service Board. The Department is continuing to press for early attention and will advise you of the outcome as soon as advice from the Board has been received.

The Audit Inspection carried out from 27 February to 10 March 1978 concluded that the administration of the Post was satisfactory. There were no major criticisms, ~~but~~ assets accounting which you are currently up-dating still requires some work.

The Department is continuing its discussions with Immigration and Ethnic Affairs in an endeavour to resolve the question of financial responsibility for travel by locally-engaged interpreters accompanying Migration Branch officers from Buenos Aires to countries outside the Post's area of accreditation. At this stage, because of a lack of detailed back-up information and a detailed travel program, we are unable to justify to the Department of Finance the need for an additional \$25,000 as requested in your 1978/79 Draft Estimates for L.E.S. travel to areas outside Argentina, Paraguay and Uruguay. Any

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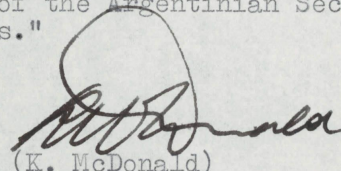
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RESTRICTED

significant variation from the Department's 1978/79 Forward Estimates will need to be fully justified to the Department of Finance.

Immigration and Ethnic Affairs have advised that they will be seeking cabled advice from the Chief Migration Officer at the Post on his section's proposed travel program for 1978/79. In addition they (Immig. & E.A.) will also be seeking confirmation of the current need for L.E.S. accompanying A-based officers on tours outside the Post's area of accreditation. Further discussion on this subject and a decision on funds requirements will follow once this information is at hand. The Department will keep you informed of the results of the discussions referred to above.

It is encouraging to hear that the internal security situation has improved in your area. I would, however, like you to keep the Department informed of the situation in general by means of periodic assessments, particularly with regard to the effectiveness of the Argentinian Security and law enforcement agencies."



(K. McDonald)
First Assistant Secretary
Management and Foreign Service
Division

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FOREIGN AFFAIRS

~~RESTRICTED~~

FILE No. 555/1/57

DATE 13 April 1978

SUBJECT

ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY

FOR Mr. Ness.....

A

Your minute (file No. 226/9/10) of 28 March 1978 refers. We have sought comments from the Australian Information Service on those aspects of the Review relevant to its operations and these comments are incorporated below.

2. AIS would be happy to provide assistance in Australia to the television team from Videoshow/ Argentine TV but this would be limited to itinerary planning and appointments if the visit took place before the 1978-79 financial year. In 1978/79 AIS would be in a position to consider a financial contribution towards per diem expenses and/or internal air fares.

3. AIS will advise the First Secretary (Information) in Mexico of the potential for more placement of material with selected media outlets in Uruguay. He will then liaise directly with the post on this matter.

4. In general, we would expect the Embassy to continue to give careful consideration to the best means by which Australia's image and interests can be put across to the media and the Chilean and Bolivian people in a co-ordinated manner.

(K. Desmond)
Information and Publications
Section

RESTRICTED

ARGENTINA, URUGUAY & PARAGUAY

CULTURAL RELATIONS

We have been pleased by the success of your promotion of Australian films in Argentina and will commend your initiatives in this area to the Australian Film Commission. We have included Argentina in a proposed Latin American circuit of Australian film events in the 1978/79 financial year, subject to approval of funds.

The continuing policy of financial restraint will prevent us from presenting additional Cultural Exchanges in the region during 1978/79, apart from a book gift to Argentina.

As a result of representations made by the Spanish Ambassador in Australia to the Department of Education, courses in Spanish language and culture will be taught from kindergarten to grade 12 level in schools in the Tuggeranong Valley, Canberra, A.C.T. Four other Embassies of Spanish-speaking countries, Argentina among them, offered aid for the program in the form of assistance to teachers, teaching materials and voluntary help.

FOREIGN AFFAIRS

AUSTRALIAN DEVELOPMENT ASSISTANCE BUREAU

FILE No. 77/1744

DATE 13 April, 1978.

SUBJECT

ANNUAL REVIEW : ARGENTINA, URUGUARY AND PARAGUAY

FOR MR F.C. NESS

CANADA, CARIBBEAN
& LATIN AMERICA
SECTION.

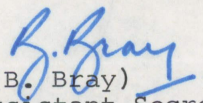
C.C.

MR J.H. GIDDINS
PROGRAM PLAN-
NING & DEVELOP-
MENT SECTION.

Our comments on the Annual Review:
Argentina, Uruguay and Paraguay, are as follows.

2. The ADAB does offer training awards, which are now in the form of training-months; this allows flexibility for nominating authorities to choose between long and short courses which are now more in demand. Currently, these awards are made available through the OAS Secretariat in Washington, but the Bureau is looking at the possibility of offering some awards on a direct bilateral basis to Latin American countries where we have representation as well as continuing the OAS - channelled system. The total training-months available will still necessarily be limited. We had previously offered six awards through the OAS and in 1977/78 we offered 27 training-months. In 1978/79 we plan, subject to the availability of funds in the 1978/79 Budget, to offer 40 training-months, but this is dependent upon approval of offering them bilaterally as well as multilaterally. We feel that it is up to Posts to get sound proposals for offering training into one or other system.

3. The ADAB also continues to provide administrative assistance in respect of all UN and Specialised Agency scholars and trainees.


(B. Bray)

Acting Assistant Secretary,
International Training & Education Branch.

INTERNATIONAL TRAINING & EDUCATION BRANCH
J. Stuart/MR

FOREIGN AFFAIRS

AUSTRALIAN DEVELOPMENT ASSISTANCE BUREAU

FILE No.....75/3524.....

DATE.....E 7 APR 1978.....

SUBJECT ANNUAL REVIEW - CHILE AND BOLIVIA; ARGENTINA; URUGUAY AND PARAGUAY

FOR HEAD OF SECTION,
CANADA, CARIBBEAN
AND LATIN AMERICA
SECTION

Mr Paske

The extracts from the Annual Reviews for the above countries, forwarded under your minutes 226/9/10 and 230/9/5/1 of 28 March 1978, refer to the question of Australia's membership of the Inter-American Development Bank (IDB).

2. Australia currently extends multilateral aid through a number of international and regional development finance institutions including the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the Asian Development Bank (ADB) and the Asian Development Fund (ADF). Contributions to the IBRD and its soft loan affiliate, the IDA, are the means by which portion of our multilateral program is distributed on a global basis.

3. Consistent with foreign policy interests, Australia has been and continues to be a strong and active supporter of the ADB and its soft loan affiliate the ADF, because they are regarded as efficient and effective mechanisms for channelling aid to developing countries in Asia and the South Pacific. Because of the concentration of aid within our geographical region, which in respect of Asia includes many of the poorest developing countries, Australia does not support any regional banks apart from the ADB.

4. Because of the policy of regional concentration of our aid together with current budgetary constraints, it is not proposed that Australia should seek membership of other regional development banks at this stage. In the event of a change in this position it would be necessary to consider the relative merits of joining the IDB vis-a-vis other regional banks which have, from time to time, sought Australian membership e.g. African Development Bank/Fund and the Caribbean Development Bank.

(K. Detto)

Acting Assistant Secretary
International Organisations & Liaison Branch

FINANCIAL INSTITUTIONS SECTION
P.D. Charlton/MT

FOREIGN AFFAIRS

RESTRICTED

FILE No. 832/1

DATE 24 May 1978

SUBJECT

ANNUAL REVIEW: ARGENTINA, URUGUAY AND PARAGUAY

FOR Mr. Ness

Mr. Pasce

Your minute 226/9/10 of 28 March 1978 requested comments on the Argentina, Uruguay and Paraguay Annual Review for the period March 1977 to February 1978.

2. The Post's economic reporting has been comprehensive and useful and, supplemented by the monthly savingram, has met our needs. We note the Post's difficulties in obtaining reliable and accurate statistical data.

3. We agree with the Review's assessment, that whilst trade prospects are still governed by the country's economic performance, recent trends in trade and Argentinian policies suggest expanded export opportunities for Australia. Accordingly, developments in the Argentinian economy are of interest to Australia and the Post should continue its useful reporting on economic developments; the working of the licensing system should be of particular interest.

4. In view of Australia's major interest in the international beef and wheat markets the Post should also continue to monitor Argentinian policies with regard to meat and wheat exports.

5. Whilst we appreciate the Post's views on Australian membership of the inter-American Development Bank we are inclined to the view that the range of activities funded by the Bank is not likely to be of sufficient interest to Australian firms to warrant Australian membership at this time. However, given the generally increased awareness in Australia of the potential for developing the commercial relationship with Latin America, current Government emphasis on the encouragement of an export orientation on the part of Australian firms, and the forthcoming establishment of an Australian Overseas Projects Corporation, it may indeed be appropriate to look once again at the question of Australian membership of the Bank. Accordingly we would welcome a more detailed analysis from the Post of the Bank's activities in the area and an assessment of where Australia might fit in.

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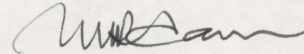
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- 2 -

6. We share a common interest with Paraguay and Uruguay in the world beef market, and to a lesser extent in wool with Uruguay, and the Post should continue to monitor developments in these areas.

7. Further on wool, the Post is aware that Cabinet decided on partial relaxation of the merino ban recently. Departmentally we supported partial relaxation, with the positive benefits such relaxation would bring to our relationship with Argentina very much in mind.



(M. R. Casson)
Commercial Policy Section

RESTRICTED

FOREIGN AFFAIRS

CONFIDENTIAL

FILE No. 919/18/3

DATE 5 April 1978

SUBJECT

ANNUAL REVIEW: ARGENTINA

FOR.....
Mr Ness,
Canada, Caribbean
and Latin
America Section

Mr. Page

The following are this Branch's comments on the annual review prepared by The Embassy in Buenos Aires.

2. Argentina, as one of the leading non-NPT developing countries, plays an important role in international discussions of non-proliferation and other arms control issues. We should like the Post to continue its useful reporting of nuclear developments in Argentina and of Argentine attitudes to non-proliferation.

3. Because of the difficulties of keeping the Post adequately briefed on current non-proliferation and arms control developments, detailed exchanges between Australia and Argentina in this field will continue to be carried out primarily in conference posts such as New York, Vienna and Geneva. It would be useful, nevertheless, if it were possible for the Post to further develop its dialogue on nuclear matters with the Argentine authorities. It could also be helpful if the Post could maintain the contact on arms control questions which have developed as a result of Argentina's Chairmanship of the Preparatory Committee for the Special Session on Disarmament. Our immediate interest in this area is to secure Argentine support for Australian membership of the Conference of the Committee on Disarmament.

J. A. Benson

(J.A. Benson)

Acting Assistant Secretary
Nuclear Policy Branch

CONFIDENTIAL

CONFIDENTIAL
FOREIGN AFFAIRS

FILE No. 929/32/14/2.....

DATE 18 May 1978.....

SUBJECT

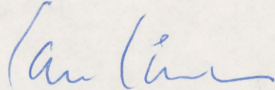
ANNUAL REVIEW: ARGENTINA, URUGUAY AND PARAGUAY

FOR CCLA.....

Following is suggested for inclusion in reply:

We have appreciated the mission's reporting on the human rights situation in Argentina, Uruguay and Paraguay and we would wish the mission to continue to give attention to this subject.

2. The role played by Argentina on the Sub-Commission on Prevention of Discrimination and Protection of Minorities, following the election of Dr Amadeo, will be of considerable interest to us. We would welcome comments from the mission on the Foreign Ministry's assessment of the debates in the Sub-Commission and more generally in the United Nations. The mission will be aware of Argentina's concern about the activities of NGOs and the possibility that the human rights situation in Argentina may come to be considered by the Commission on Human Rights or the Sub-Commission under the "communications procedures" established by ECOSOC resolution 1503.


(I.S. Lincoln)
UN Political Section

CONFIDENTIAL

FOREIGN AFFAIRS

FILE No. 1616/1/2/2
DATE 1 April, 1978

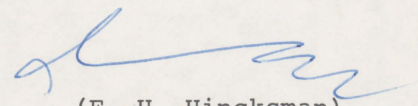
SUBJECT ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY : YOUR 226/9/10

MR NESS
FOR.....

Head, Canada,
Caribbean & Latin
America Section.

Mr Page

In respect of your minute of 21 March
on the above, there are no points in the review
which require comment by Consular Section.


(E. H. Hincksman)
Director

FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 9 May, 1978

SUBJECT ANNUAL REVIEW : ARGENTINA, URUGUAY, PARAGUAY

FOR CP
IMM
UNP
→ OECD / Ec
GL

Comments have not yet been received from your section on the Buenos Aires 1977 Annual Review as requested in our Minute of 28 March 1978.

2. We would be grateful if all contributions could be forwarded to this Section as soon as possible, to enable us to finalise the draft reply.

to Ness
And again

CB 11/5



(F. C. Ness)
Head, Canada, Caribbean and
Latin America Section

FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 28 March 1978

SUBJECT

ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY

✓ FOR Adviser on STE

✓ AS Nuclear Policy

✓ AS Nuclear Safeguards

✓ ISA

✓ CP

✓ IMM - no comment

✓ PP

✓ IP

✓ CUL

✓ UNP

✓ OECD

✓ APLOS

✓ CON

✓ ALA

✓ GL Treaties

Dept. Trade &
Resources

(Attention: FAS
Trade Relat. Div.)

✓ Dept. Immigration
& Ethnic Affairs

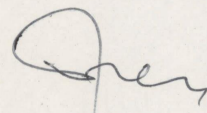
✓ Director ADAB

✓ (Attention: Intern.
Training and Educa-
tion Branch

Attached is a copy of that part of the Annual Review of Australia's Relations with Argentina, Uruguay and Paraguay for the period March 1977 to February 1978 which is relevant to your section.

2. To assist us in preparing a draft reply for the Secretary's signature, we would be grateful for your comments on the points raised in the review by Friday 15 April to enable us to meet the deadline set by the Executive Secretariat.

3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976.


(F.C. Ness)

Head,
Canada, Caribbean and Latin
America Section

FOREIGN AFFAIRS

FILE No. 226/9/10

DATE 28 March 1978

SUBJECT

ANNUAL REVIEW : ARGENTINA, URUGUAY AND PARAGUAY

FOR..... Adviser on STE

AS Nuclear Policy
AS Nuclear Safeguards

LSA

CP

IMM

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APLOS

CON

ATA

GL

Dept. Trade &
Resources

(Attention: FAS
Trade Relat. Div.)

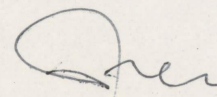
Dept. Immigration
& Ethnic Affairs

Director ADAB
(Attention: Intern.
Training and Educa-
tion Branch

Attached is a copy of that part of the Annual Review of Australia's Relations with Argentina, Uruguay and Paraguay for the period March 1977 to February 1978 which is relevant to your section.

2. To assist us in preparing a draft reply for the Secretary's signature, we would be grateful for your comments on the points raised in the review by Friday 15 April to enable us to meet the deadline set by the Executive Secretariat.

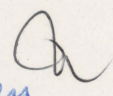
3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No. X91/76 of 14 September 1976.



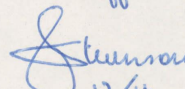
(F.C. Ness)

Head,

Canada, Caribbean and Latin
America Section

Mr Ness 

No comments to offer on Academic Exchange or SOVF side.


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Review of Initiatives Proposed in Previous Review

3. Scholarships

No AIAS or SOVF awards were made in Argentina, Uruguay or Paraguay, although a number of Argentines and Uruguayans went to Australia under FAO awards.

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FOREIGN AFFAIRS

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FILE No. 230/9/5/1

DATE 28 March 1978

SUBJECT

ANNUAL REVIEW - CHILE AND BOLIVIA

FOR Adviser on STE

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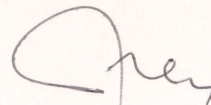
Exchange

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Attached is a copy of that part of the Annual Review of Australia's Relations with Chile and Bolivia for 1977 which is relevant to your section.

2. To assist us in preparing a draft reply for the Secretary's signature we would be grateful for your comments on the points raised in the review by Friday 15 April to enable us to meet the deadline set by the Executive Secretariat.

3. We would be grateful if your reply could be drafted bearing in mind the format and priorities set out in Administrative Circular No X91/76 of 16 September 1976.



(F.C. Ness)

Head

Canada, Caribbean and Latin America
Section

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39. As you know, we had been giving thought to the possibility of an SOVF award to a very senior officer of the Chilean equivalent of CSIRO. However, our soundings did not indicate a suitable candidate. We are now looking at the possibility of someone in the medical insurance field, since Chile's system is sorely in need of revision. If we can find an appropriate nominee, we hope that you could find funds.

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ANNUAL REVIEW OF AUSTRALIA'S RELATIONS WITH ARGENTINA,
URUGUAY AND PARAGUAY
MARCH 1977 - FEBRUARY 1978

SUMMARY OF AUSTRALIAN INTERESTS

The basic pattern of Australian interests in Argentina, Uruguay and Paraguay remains the same as in previous years. Relations with each country have remained free of substantial problems, a reflection more than anything else of the low priority which each side affords the other in its respective foreign policies. In these circumstances, which seem unlikely to change much in the next few years, the post's energies have been directed more to advancing the established interests outlined below rather than to broadening horizons.

(A) Argentina

Our major political interest continues to be to develop habits of cooperation and consultation with Argentina on international matters of common concern. In this context Antarctica, always an important element in our relationship, is becoming increasingly so. United Nations matters (including disarmament) and Law of the Sea are other important areas. Our main interest in internal political developments is to monitor the human rights situation and to make our views known whenever suitable opportunities arise. Our economic interests also focus primarily on developing and maintaining consultation and cooperation in international forums, particularly those dealing with meat and wheat where current difficulties have made it more important for both countries as major world producers to minimise actions cutting across each other's interests. In this context Australia and Argentina have many points in common in their approach to current negotiations on a new international wheat agreement. On meat both have agreed, along with New Zealand and Uruguay, to discuss arrangements for the marketing of their exports. With economic reforms and substantial progress towards economic recovery in Argentina, the scope for increasing bilateral trade is widening, although shipping continues to be a major problem. Best prospects seem to be raw and semi-processed materials, (e.g. alumina, coal, steel). There could also be openings for the sale of Nomad aircraft.

We continue to have strong interest in attracting good quality migrants from Argentina, although economic difficulties in Australia have imposed limitations. The volume of enquiries continues to be very large. Pressures on us to take refugees have also eased, although substantial numbers, mostly Chileans, still remain in Argentina. We continue to have a humanitarian and political interest in maintaining as positive an attitude as other commitments will allow towards accepting refugees. This also applies to political detainees who might seek to exercise their newly established right of option to leave Argentina. On defence our interest continues to be to discourage sporadic Argentine approaches for closer cooperation (e.g. training in Australia). The projection of a favourable image of Australia as a modern,

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energetic and culturally alive country remains a fundamental information and cultural interest. Despite financial restraints, there appears to be scope for widening our activities in this field.

(B) Uruguay

Australia's basic interests in Uruguay remain unchanged from those defined in previous reviews. The processing of migrants will continue to be the area of most immediate concern in our dealings with Uruguay, but we also have a more general interest in monitoring political matters such as human rights and progress towards the restoration of democratic institutions and economic policies relating to wool, beef and other commodities. There is also some scope for pursuing information and cultural activities as opportunities arise.

(C) Paraguay

In keeping with Paraguay's low priority in Australia's foreign policy considerations our interests in Paraguay will remain minimal. We will continue to report as necessary on significant political developments, particularly those relating to human rights, and Paraguayan attitudes on commodity matters of mutual concern.

AUSTRALIA'S RELATIONS WITH ARGENTINA, URUGUAY AND PARAGUAY

ARGENTINA

Relations were cordial and free of problems during the year. Argentine energies were concentrated on the basic objectives of restoring economic health and eliminating terrorism and considerable progress was made on both fronts. However human rights concerns have not been given the priority we might wish; the operations of "para-police" have not been curbed, and unexplained disappearances of lawyers, journalists, clerics, nuns and ordinary citizens have continued. Most of those who have disappeared are presumed to have been murdered. People continue to be detained under state-of-siege provisions for indefinite periods without charges; a full list of state-of-siege detainees (officially numbered at 3607) has been promised, but so far only 1923 names have been released. The re-establishment in September of the constitutional right of detainees to opt to leave Argentina has resulted in several applications made by relatives or others on behalf of detainees wishing to go to Australia. We can expect more. While current immigration policy and the difficulty of obtaining access for personal interviews precludes much positive action, we believe that there is scope for special consideration to be given to the few cases where a strong Australian connection exists (e.g. close relatives living in Australia). We are pursuing the case of Ana Maria Mohaded in this spirit.

We had occasion during the year to make some representations on human rights matters involving non-Australian citizens. While the Foreign Ministry was

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prepared to listen, firm information was virtually impossible to obtain. Nevertheless, we believe that it was and continues to be valuable to let the Argentines know that there is concern in Australia about human rights in Argentina. For example, our representations together with those of others, could have contributed to the release of detained author Antonio de Benedetto.

The Argentine interest in Australia as a useful model for framing new policies and legislation which was noted in the last Annual Review, manifested itself from time to time, although as the broad lines of reform in many areas have been established there has been less need to look for models. Nevertheless, we have endeavoured to give prompt and full responses to those enquiries we have received.

Relations with the Asia and Oceania Department continued to be good, although there have been a number of personnel changes. We have gained the impression that at the Canberra end the Argentine Embassy, for one reason or another including staff shortages, has not been particularly dynamic.

Prompt messages of sympathy from the Minister concerning the attempted assassination of Foreign Minister Guzzetti in May 1977 and the San Juan earthquake in November 1977 were well appreciated.

URUGUAY

Relations with Uruguay continued to be problem-free throughout the period under review. Moves towards the restoration of democratic institutions and in particular President Mendez' announcement that national elections would be held in 1981 constituted the most significant political developments. These have not had, and probably will not have much impact on future relations between our two countries.

The Embassy was involved in some press activity following the publication of articles which alleged neglect of Uruguayan migrants in Australia. The question was settled satisfactorily following the publication of statements by the Minister for Immigration and Ethnic Affairs. The incident indicated the relatively high level of interest in Australia and we could probably place more material with selected media outlets in Uruguay.

PARAGUAY

As forecast in the 1976/77 Annual Review relations with Paraguay were fairly low-key during the period under review. Our only dealings of substance with the Foreign Ministry were confined to repeated representations on behalf of a political detainee - Dimas Prisciliano Acosta - who was finally released in November after some 12 years. In concert with other western countries our representations may well have had a cumulative effect in securing his release. As in the case of Uruguay, we may well need to pursue other cases of political detainees in the future.

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TRADE RELATIONS

There has been a degree of economic recovery in Argentina since the military took over government in March 1976, but this has been slower than originally expected by the business community. Although the annual rate of inflation has been reduced from approximately 350% in 1976 to some 160% in 1977 and full employment has been achieved, the Argentine economy is still afflicted by one of the world's highest rates of inflation and persistent idle capacity in the industrial sector. High rates of interest preclude local industry from seeking credit for expansion programmes; in many cases they represent a major contributing factor in the bankruptcy of medium-sized manufacturing firms which require finance for their day-to-day operations.

The above factors have caused Australian exports to Argentina in 1976/77 to remain at the 1975/76 level of \$A28 million compared with \$A42 million in 1974/75. Steel slabs, blooms and billets continued to be the major export items to Argentina, although the volume of exports was lower than in former years due to the recession prevailing in most of the local manufacturing industries. Although this depressed situation is likely to continue throughout 1978 it is expected that sales of semi-finished steel products will be higher than in 1976/77; the fact that exports of slabs and blooms in the first quarter of 1977/78 almost attained the same figure reached in the previous 12 months period gave reasonable justification for this assumption. Alumina continued to be of increasing importance in Argentine/Australian trade. Aluar's purchases reached almost \$A9 million in 1977 and in the present year are expected to be higher. Despite the depression faced by the local steel industry, exports of Australian coking coal to Somisa (the Argentine Government steel mill) were resumed and amounted to some \$A2.7 million. The trend of shipping mineral sands direct from Australia continued and as a result exports of rutile and zircon ores accounted for some \$A700,000 in this period. Again, the downturn in economic activity could hamper sales of this commodity in 1978.

The period under review has not been very bright for exports of motor vehicle parts and sugar harvesting machinery. Neither has it been for grass seeds; these accounted for \$A0.5 million some five years ago and only reached \$A45,000 this year. There are few prospects of reversing this trend in the foreseeable future, at least until prices for livestock and meat products recover or development of pastures in the Argentine sub-tropical region is strongly encouraged.

While prospects are still limited by Argentina's economic problems, there are certain deals which could increase our trade balance:-

(a) Coal - an Australian Coal Mission visited Argentina in November 1977 with the aim of detecting short and long-term possibilities for the Australian coal industry. During the course of their visit, Somisa advised that they are looking for an alternative source of supply (other than the U.S.A.) of high volatile coal; there are strong possibilities that

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in 1978 Somisa will be importing 100,000 tonnes of Australian high volatile coking coal valued at around \$A6 million provided quality and prices are competitive.

(b) Nomad - GAF agents are currently working hard on selling Nomad aircraft to Argentine provincial governments, but are facing strong competition from other suppliers, in particular the Israelis. If an initial sale of two aircraft (worth \$A1.5-2 million) is made to Misiones Province, others are likely to follow.

(c) Heart Pacemakers - the Australian company Teletronics have appointed a local agent for the sales of their pace-makers; sales of up to \$A300,000 are regarded as a feasible target in the first year of activities.

With regard to longer-term prospects, the relaxation of import duties, easier financing terms for imports of capital goods and new legislation regarding industrial promotion, foreign investment, licencing arrangements etc. suggest that in the coming years there could be increasing export opportunities for Australian products and for Australian businessmen to participate in joint ventures with local firms. To take full advantage of these opportunities it is most important for Australia to become a member of the Inter-American Development Bank. The number of projects which receive credit lines from this organisation is increasing every year; most hydro-electric schemes, industrial projects and assistance programmes being developed in the area are financed by this organisation. Most developed countries are members and are therefore able to participate in projects financed by the IADB. Australia, as a non-member, can not.

Trade activities with Paraguay continued to be almost negligible mainly because of distance, high freight rates and cheaper sources of supply from neighbouring Argentina and Brazil. However, economic prospects are improving with the development of joint hydro-electric schemes, and it is therefore not a market to be neglected. With effort on the Australian side, trade with Paraguay could pick up.

Regarding Uruguay, the depressed international situation for commodities of animal origin has been the main reason for the reduction in sales of Australian goods to only \$A0.5 million. With decreasing livestock numbers, the Plan Agropecuario is in deep financial trouble, and there are few expectations of increasing exports of pasture seeds and agricultural equipment in the foreseeable future. Despite this setback, Uruguay will finally be honouring the last step (worth \$A250,000) of the supply contract for grass seeds undertaken with South Australian Seedgrowers Co-operative some years ago. We also learned recently that 7,500 tonnes of malting barley worth about \$A1.2 million have been ordered from Australia by a Uruguayan firm.

IMMIGRATION

The region in South America controlled from Buenos Aires continued to be an important source of migrants. However, high unemployment in Australia and a diminishing

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schedule of skilled occupational classifications sought by the various States in Australia were limiting factors. Nevertheless, in the financial year 1976/77 settler arrivals from Argentina, Uruguay, Paraguay and Brazil totalled 1954. This exceeded the number of movements from the rest of Latin America and was also higher, in most instances, than the figures for the more traditional source countries. Arrival statistics for the year ended December 1977 are not yet available, but it is estimated that the figure will be much the same as for the financial year. This will be achieved despite a seating availability reduction of 340 on charters as against 1976 and considerably higher cost of fares on scheduled flights due to devaluation of the Argentine Peso against the U.S. Dollar.

Migrant settlers also found difficulty in actually obtaining seat reservations during the early months of the year. In January 1977, Air France withdrew its trans-Pacific service to Tahiti. Lan Chile, the only direct airline, was already fully booked at the time but the pressure was relieved after Lan Chile secured an additional aircraft to introduce a bi-weekly service from the end of March 1977.

The number of first enquiries was again extremely high at 24,902 for the year. It was lower than 1976, the year of the military coup, but was still well in excess of preceding years. Rigid control of pre-selection of applicants was continued, as in 1976, to conform with migration programme requirements. There was greater emphasis on skilled worker categories that could fulfill the requirements of the Tradesmen's Rights and Regulations Act. This placed a heavy burden on the Senior Technical Adviser, who is required to service all ten South American countries from Buenos Aires. In total 5241 persons were interviewed for migration to Australia from which 1855 were approved for admission. At the end of the year there were 1470 awaiting interview, 1836 awaiting determination and 635 approved awaiting visa issue.

Locally engaged staffing was the subject of a number of reviews which were centred principally around the necessity for support staff for the Technical and Medical officers whose responsibilities cover all of South America. Problems are still unresolved. The question of financial responsibility for travel by locally-engaged interpreters accompanying Migration Branch officers from Buenos Aires on interviewing tours to countries outside the Embassy's area of accreditation also remains unresolved.

The three interpreters provided originally for the three interviewing officers have been utilised where possible to cover gaps, but there are backlogs. The appointment of an interpreter for the Senior Technical Adviser is dependent on formal PSB approval of a reclassification proposal which has been with the Board some time.

The definition of the actual duties of the Medical Officer has been under inter-departmental examination with the Public Service Board since the position was created. A world review of medical services recently undertaken by an inspection team from the Departments of Health, Immigration and Ethnic Affairs and the Board may resolve this.

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The control of temporary entrants to establish bona fides and reduce the number of overstayed visitors to Australia was time-consuming. A total of 126 applicants were rejected from 695 applications representing 919 persons. The number of visas issued totalled 590 covering 792 persons.

Argentine Government moves to regularise the status of illegal entrants (including refugees) have proceeded slowly. Of the 8400 refugees estimated by the UNHCR to be resident in Argentina, only some 4000 are reported by the UNHCR as having registered as required by the Argentine authorities by the end of July 1977. At that time 40% of the 832 persons whose dossiers had been examined were allowed to remain in Argentina. Lists of persons whose presence in Argentina was not desired were forwarded progressively to the UNHCR for resettlement action. The total number of refugees listed up to the end of December 1977 was 1023. Refugee movements to receiving countries for the year were reported to be 2000.

In September a survey was conducted in consultation with the Inter-Governmental Committee for European Migration (ICEM), to assess the potential for the introduction of pre-embarkation English language training for settlers from Argentina and Uruguay. ICEM has prepared a report for its headquarters in Geneva and there will be further consultation with the Department in Canberra on organisation and estimates for a preliminary programme.

The Committee on Overseas Professional Qualifications (COPQ) engaged the services of Professor R. Johnson who holds the Chair of Spanish and Latin American Studies at the University of New South Wales to complete a survey of Latin American professional standards. Arrangements were made for visits to universities in Paraguay, Uruguay and city and provincial institutions throughout Argentina. A screening examination for dentists, the first such examination in this region for professional applications, was conducted 24-27 January 1978, and the results forwarded to COPQ for assessment. It may be anticipated that this function will expand. A further examination has been foreshadowed for April 1978.

POST ACTIVITIES

The following were the posts major activities during the period under review:-

1. Reporting

(a) Argentina

We have endeavoured in our reporting to be selective and to concentrate on trends rather than detail. We have covered the military Government's very cautious progress towards creating the "civil-military convergence" upon which a return to democracy could be based; we have also focussed particular attention on human rights and nuclear energy matters. Economic reporting has been by quarterly savingram supplemented by commodity reports prepared by the Commercial Section and

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brief items in the general monthly savingram. The Government's decision to give top priority in 1978 to controlling inflation means that progress towards economic recovery will have an increasingly important bearing on the Government's political future. We hope to reflect this by concentrating more on the political aspects of economic trends and less on statistical detail.

Reporting on international issues reflected Argentina's policy of giving priority to relations with neighbouring countries. Main subjects have been relations with Brazil and Chile (Beagle Channel dispute), and hydro-electric projects on the Parana River. Relations with the United States has also been a prominent topic. The main areas of dialogue with the Foreign Ministry have been Antarctica and United Nations matters, particularly candidacies, where Argentina has consistently given us support. In this context our decision to support the candidacy of Dr Amadeo for the Human Rights Sub-Commission has been welcomed.

(b) Uruguay

Reporting on Uruguay continued to be based on quarterly savingrams supplemented as appropriate by memoranda dealing with such issues as the transition to democracy, relations with the United States, Uruguay's role in regional organisations and human rights. With regard to the latter we have, on your instructions, recently made approaches to the Foreign Ministry in cases involving the detention of lawyers. Unless there is a reversal of the Uruguayan Government's arbitrary policy on questions of detention without trial and human rights in general, the need to make further representations on behalf of individuals may well arise again in the future - all the more so if the vigilance of such organisations as Amnesty International and the International Commission of Jurists is maintained. In the coming year these themes, together with developments in relation to selected commodity matters of mutual interest, will doubtless continue to be the major focus for reporting.

(c) Paraguay

Our reporting has focussed mainly on human rights matters and on developments relating to joint Argentine/Paraguayan and Brazilian/Paraguayan hydro-electric projects on the River Parana. These projects will continue to be of significance not only in the context of the economic development of Paraguay itself but also with respect to the Paraguayan Government's attempts to balance relations with Argentina and Brazil in order to extract the maximum from both. We will continue to report on this and other internal political developments as appropriate.

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2. Human Rights Representations

Following representations from P.E.N. Sydney Centre to the Minister about author Antonio Di Benedetto, detained without charges, we registered our concern with the Foreign Ministry. Other missions did the same. Di Benedetto was released in September 1977.

3. Right of Option Cases

So far we have received representations on behalf of ten detainees. Our response has been to say that there exists no special programme to cover such cases, but to ask for personal details (as per form M47) to enable us to assess whether or not the detainee meets normal migration criteria. Following ministerial representations in Australia, we are seeking access to interview Ana Maria Mohaded, who has applied to go to Australia. We believe that we should pursue as positively as we can, this case and possibly others where a strong Australian connection exists and would be glad for confirmation that scope exists for special consideration to be given at least on humanitarian grounds to applications from detainees whom it may not be possible (e.g. because of lack of access to prisons) to process fully in the normal way.

4. Travel

In addition to regular visits to Paraguay and Uruguay for reporting and representation purposes, the Ambassador made official visits to the provincial capitals of Formosa, Rawson (Chubut), Viedma (Rio Negro), and La Plata (Buenos Aires). He also visited other provincial cities such as Rosario, Salta and Junin. The First Secretary made an official trip to Tierra del Fuego. The Third Secretary made routine visits to Asuncion and Montevideo. In the coming year we hope, funds permitting, to extend our travel in the Argentine interior. There exists considerable scope to publicise Australia and to foster goodwill. Officers will also gain a better understanding of Argentina and its problems.

5. Official Australian Visitors

Australia was represented by a six-member delegation, led by the Minister for the Northern Territory and Minister Assisting the Minister for National Resources, at the United Nations Water Conference which was held in Mar del Plata from 14 to 25 March 1977.

6. Non-Official Visitors

Two representatives of the CSIRO's Division of Tropical Crops - a soil scientist and a botanist - made an investigatory tour of northern Argentina in

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April/May during which they made useful contacts with federal and provincial research institutes and collected specimens of local flora. Three Australian academics participated last December in a seminar on Australia and Argentina organised by the Instituto Torcuato di Tella. We believe that visits and exchanges of this sort, particularly in the agricultural field, represent one of the best avenues for building bilateral goodwill. Professor Johnson of the University of New South Wales visited universities and other institutions on behalf of COPQ in November.

7. Information Activities

Information activities continued to progress during the period under review, although scope for the distribution of printed material has been severely restricted owing to financial cutbacks. Nevertheless, new press outlets have been established (particularly in the course of provincial tours); the film loan programme has virtually reached its maximum capacity; tape loans have increased; and officers of the Embassy have been increasingly involved in public speaking engagements with local institutes, radio and television. The post has recently acquired an information exhibition which will be a useful means of presenting a favourable image of Australia both in Buenos Aires and the provinces. As noted above there is scope for more information and cultural activity in Uruguay; in Paraguay opportunities are limited by the high level of illiteracy and the absence of a developed media infrastructure.

8. Cultural Activities

There were no exhibitions of Australian art works or tours by cultural groups over the past year. An important and highly successful event, however, was the commercial screening of the Australian film "Caddie". The distributors permitted the Embassy to use a print of the film for a preview to which media and cultural representatives were invited. The success of "Caddie" has stimulated Argentine interest in securing other Australian films, and we would hope that modest funds could be made available as required for us to organise previews.

ADMINISTRATION

While the rate of inflation decreased progressively during the period under review (160.4% in 1977 as against 347% in 1976) the economic situation in Argentina has remained unpredictable in many aspects. Consequently, the Embassy has continued to experience considerable difficulty with accurate budgeting and estimating.

Continued staffing restrictions and financial stringencies coupled with inflation and a large attached

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establishment (two Counsellors and 10 other officers) have had the effect of increasing the volume and complexity of administrative work at the post. The major areas of difficulty have been A-based local allowances, locally-engaged staff salaries and rentals, all of which have required constant monitoring.

The post was visited by Messrs. Henderson and Manton of the Department of Foreign Affairs in July 1977. The visit was most useful, not the least because one of its results was an interim increase to local allowances. However, we regret that an acceptable permanent system for interim adjustments to allowances has still not been worked out.

We have continued to monitor rentals and keep the OOB informed of inflationary pressures on the rental market which are likely to continue for some time. We hope that the regulatory authorities will continue to be sympathetic. We would expect substantial increases to existing rent ceilings following the next PSB Inspection in September 1978.

There has been some improvement in the security situation during the period under review. Nevertheless, officers at the post still need to be continually conscious of security. The need for additional or alternative security measures is constantly reviewed.

There has been a marked increase in the volume of consular activity, although we have fortunately been spared any cases of a highly complicated, sensational or delicate nature. There are 103 Australians registered with the Embassy and 42 passports were issued during the year ended 28 February 1978. On average, three (3) Australians per week seek consular assistance or guidance of some sort. There is a trend, which we expect to continue, for many Argentine immigrants to return either temporarily or permanently to Argentina. A great many of the problems coming to our attention thus involve dual nationality.

REVIEW OF INITIATIVES PROPOSED IN PREVIOUS PREVIEW

As in the previous year, financial and staffing restrictions limited our capacity to carry out initiatives.

1. Contacts with Ministries and other Government agencies (notably the National Atomic Energy Commission) were maintained. Close relations were developed, in particular with the Antarctica Division of the Foreign Ministry.

2. Cultural Events

No formal cultural events were programmed for this post owing to financial restrictions.

3. Scholarships

No AIES or SOVF awards were made in Argentina, Uruguay or Paraguay, although a number of Argentines and Uruguayans went to Australia under FAO awards.

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4. Sporting Teams

The Australian Davis Cup tennis squad played against Argentina in September and attracted a great deal of favourable publicity. The polo team visit mentioned in the last review did not eventuate.

5. Extradition Treaties

Despite repeated requests for advice, no guidance has been offered by the Department as to whether we should pursue the question of concluding new extradition arrangements with Argentina, Paraguay and Uruguay.

6. Cultural Agreement

On instructions from Canberra this was not pursued.

7. LES Problems

Provisions for LES participation in a medical scheme have been implemented. We await final approval from the Department of Finance to enrol LES in the national pension scheme. The LES re-organisation proposal is with the Public Service Board.

8. Tapes and records

A small selection of taped programmes on Australian folk music has been forwarded by the AIS regional office in Mexico.

9. Agricultural Exchanges

The visit of the CSIRO scientists in April/May was particularly valuable in establishing areas of future cooperation between Argentina and Australia.

10. Provincial Tours

Funds were fortunately available for the Ambassador and other officers to travel considerably outside Buenos Aires. These visits proved extremely useful in generating good-will and publicising Australia.

PROPOSED INITIATIVES

1. We should continue to explore the possibility of nominating Argentine, Paraguayan or Uruguayan recipients for an AIAS or similar award for study in Australia.

2. The AIS agreed in principle to receive last year an Argentine television team under the Media Visitor's Programme. Unfortunately the team had to cancel their tour, but we should do what we can to encourage the visit this year.

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3. Given the receptiveness of Buenos Aires audiences to the Australian film "Caddie", we should consider staging a festival of Australian films.
4. Noting the large amount of favourable publicity for Australia which took place during the visit of the Davis Cup team we should encourage wherever possible, visits by other sporting teams. We note that an Australian team will be participating in the World Hockey Cup here in Buenos Aires in March; other possibilities could be rugby, polo and cricket.
5. We should endeavour to maintain a programme of provincial tours as a means of encouraging interchange in various agricultural and other fields as well as providing new outlets for press, radio and television material.
6. We should continue to develop dialogues with Ministries and other Government bodies. There is scope in particular for more contacts on disarmament and atomic energy.

H.W. Bullock

(H.W. Bullock)
Ambassador

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